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SOUTHERN AFRICA TRADE HUB

ANNUAL REPORT FOR THE PERIOD

OCTOBER 2014 - SEPTEMBER 2015



October 23, 2015

This publication is prepared for USAID by AECOM International Development to report on the work and milestones of the USAID Southern Africa Trade Hub under Contract No. 674-C-00-10-00075-00.

SOUTHERN AFRICA TRADE HUB

ANNUAL REPORT FOR THE PERIOD OCTOBER 2014 - SEPTEMBER 2015 FY 2015

Contract No. 674-C-00-10-00075-00

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AECOM International Development

Disclaimer:

The authors' views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Cover photo: Product from Tsonga Footwear Company, one of the companies the Trade Hub supported to exhibit at the MAGIC Las Vegas trade show in February 2015.

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I. ACRONYMS

ACE	(Malawi) Agricultural Commodity Exchange
ACTE	African Competitiveness and Trade Expansion
AFD	Agence France de Developpement
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ANSI	American National Standards Institute
ARSO	African Regional Organization for Standardization
ASIF	Agricultural Storage Investment Fund
ATI	African Trade Insurance
AWEP	African Women Entrepreneurs Program
BITC	Botswana Investment and Trade Centre
BOBS	Botswana Bureau of Standards
BPR	Business Process Reengineering
BTCA	Botswana Textile And Clothing Association
BURS	Botswana Unified Revenue Service
CASS	Central African Seed Services
CBM	Coordinated Border Management
CLUSA	Cooperative League of the USA
CMT	Cut-Make-Trim
COMACO	Community Markets for Conservation
CTFP	Comprehensive Trade Facilitation Programme
CTICC	Cape Town International Convention Centre
DCA	Development Credit Authority
DOE	Department of Energy
DQSA	Lesotho Department of Standards and Quality Assurance
DTIS	Diagnostic Trade Integration Study
EATIH	East Africa Trade and Investment Hub
ECA	Empresa de Comercialização Agricola Lda

EIB	European Investment Bank
EnMS	Energy Management System
ERB	Energy Regulation Board
ETG	Export Trading Group
FMB	First Merchant Bank (Malawi)
FtF	Feed the Future
FY	Fiscal Year
GAPI	Gabinete de Apoio e Consultor a Pequenas Indústrias
GIZ	Gesellschaft für Internationale Zusammenarbeit
GSS	Grain Silo Services
GTAZ	Grain Traders Association of Zambia
HACCP	Hazard Analysis Critical Control Point
HPLC	High-Performance Liquid Chromatography
HSR	Harmonized Seed Regulations
ICP	International Cooperating Partner
ICT	Information and Communications Technology
IPP	Independent Power Producer
INNOQ	Instituto Nacional de Normalização e Qualidade/National Institute for Standardization and Quality
INVC	Integrating Nutrition in Value Chains
IPF	Investment Policy Framework
IPP	Independent Power Producers
IRM	Investor Roadmap
ISO	International Organization for Standardization
JBC	Joint Border Committee
KEBS	Kenya Bureau of Standards
LTE	Leaders in Trade Exhibitions
LNDC	Lesotho National Development Corporation
MBS	Malawi Bureau of Standards
MIS	Market Information System
MMEWD	Ministry of Mines, Energy and Water Development (Zambia)
MRA	Malawi Revenue Authority

MT	Metric Tons
MTS	Meticais (currency of Mozambique)
NAPI	National Action Programs on Investment
NASFAM	National Smallholder Farmers Association of Malawi
NBM	National Bank of Malawi
NEP	National Enquiry Point
NGO	Non-Governmental Organization
NSB	National Standards Body
NSW	National Single Window
OECD	Organisation for Economic Cooperation and Development
OHSAS	Occupational Health and Safety
PMU	Project Management Unit
PTF	Partnership for Trade Facilitation
RBM	Reserve Bank of Malawi
RE&IPP	Renewable Energy and Independent Power Producer
REA	Rural Electrification Authority
REFIT	Renewable Energy Feed-in Tariffs
REIS	Regional Economic Integration Support
RERA	Regional Electricity Regulators Association of Southern Africa
RUCF	Ready to Use Complementary Food
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCSTAN	SADC Cooperation in Standardization
SAGL	Southern African Grain Laboratory
SANSOR	South African National Seed Organization
SARS	South African Revenue Service
SCCI	Seed Control and Certification Institute
SERA	Swaziland Energy Regulatory Authority
SME	Small and Medium Enterprise
SOW	Scope of Work
SPG	Strategic Partnership Grant

SPS	Sanitary and Phytosanitary
SWASA	Swaziland Standards Authority
TBT	Technical Barriers to Trade
TIFI	Trade, Industry, Finance and Investment
TFA	Trade Facilitation Agreement
TRALAC	Trade Law Center
TRF	(SADC) Trade Related Facility
UNDP	United Nations Development Program
UNECA	UN Economic Commission for Africa
UNIDO	United Nations Industrial Development Organization
US	United States
USAID	United States Agency for International Development
USG	United States Government
USTR	United States Trade Representative
WCO	World Customs Organization
WIBA	Women in Business Association
WRAP	Worldwide Responsible Apparel Production
WRS	Warehouse Receipt System
WTO	World Trade Organization
ZABS	Zambia Bureau of Standards
ZAMACE	Zambian Agricultural Commodity Exchange
ZASTA	Zambia Seed Trade Association
ZNFU	Zambia National Farmers Union

II. INTRODUCTION AND OVERVIEW

The key objective of the USAID-funded Southern Africa Trade Hub (Trade Hub) project is to increase international competitiveness, intra-regional trade and food security in Southern Africa.

The Trade Hub is supported by USAID under Contract No. 674-C-00-10-00075-00, awarded to AECOM International Development with a period of performance from 2010 until 2016. The initiatives of the United States Government that provide context and support for the Trade Hub's activities are:

- African Competiveness and Trade Expansion (ACTE);
- Feed the Future (FtF);
- Clean Energy; and
- Partnership for Trade Facilitation (PTF).

In line with these initiatives and the technical direction in Contract Modification No. 8, Section C: Scope of Work of November 20, 2012, the Trade Hub provides needs-driven assistance to the Southern African Development Community (SADC), the Southern African Customs Union (SACU), governments, and private sector organizations in eight countries.

With offices in Gaborone, Botswana, Centurion (Pretoria), South Africa and embedded advisors in offices in Malawi and Namibia, the Trade Hub works primarily in Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, and Zambia. Starting in FY2013, and in line with Modification No. 8 of the project contract, the Trade Hub reduced its technical assistance delivery from 13 to five indicative result areas, described below:

				
Trade Facilitation and Customs Reform <ul style="list-style-type: none"> ▪ Botswana ▪ Malawi ▪ Namibia ▪ SADC 	Enabling Environment <ul style="list-style-type: none"> ▪ Botswana ▪ Lesotho ▪ Malawi ▪ Mozambique ▪ Swaziland ▪ Zambia ▪ SADC 	Agricultural Value Chains <ul style="list-style-type: none"> ▪ Malawi ▪ Mozambique ▪ Zambia ▪ SADC 	Clean Energy <ul style="list-style-type: none"> ▪ Zambia ▪ RERA in SADC countries 	Textiles and Apparel Export <ul style="list-style-type: none"> ▪ Botswana ▪ Lesotho ▪ Mozambique ▪ South Africa

IR1.1: Trade Facilitation aims to improve efficiency in trade administration covering import, export and transit goods procedures and transparency of border administration by promoting and facilitating the adoption of simplified trade processes and modern tools.

IR1.2: Agricultural Value Chains focuses on improving storage and structured trade; standards and quality; investment and adoption of modern technologies; and strengthening regional organizations to enhance production and availability of tradable maize, groundnuts and soy to enhance food security.

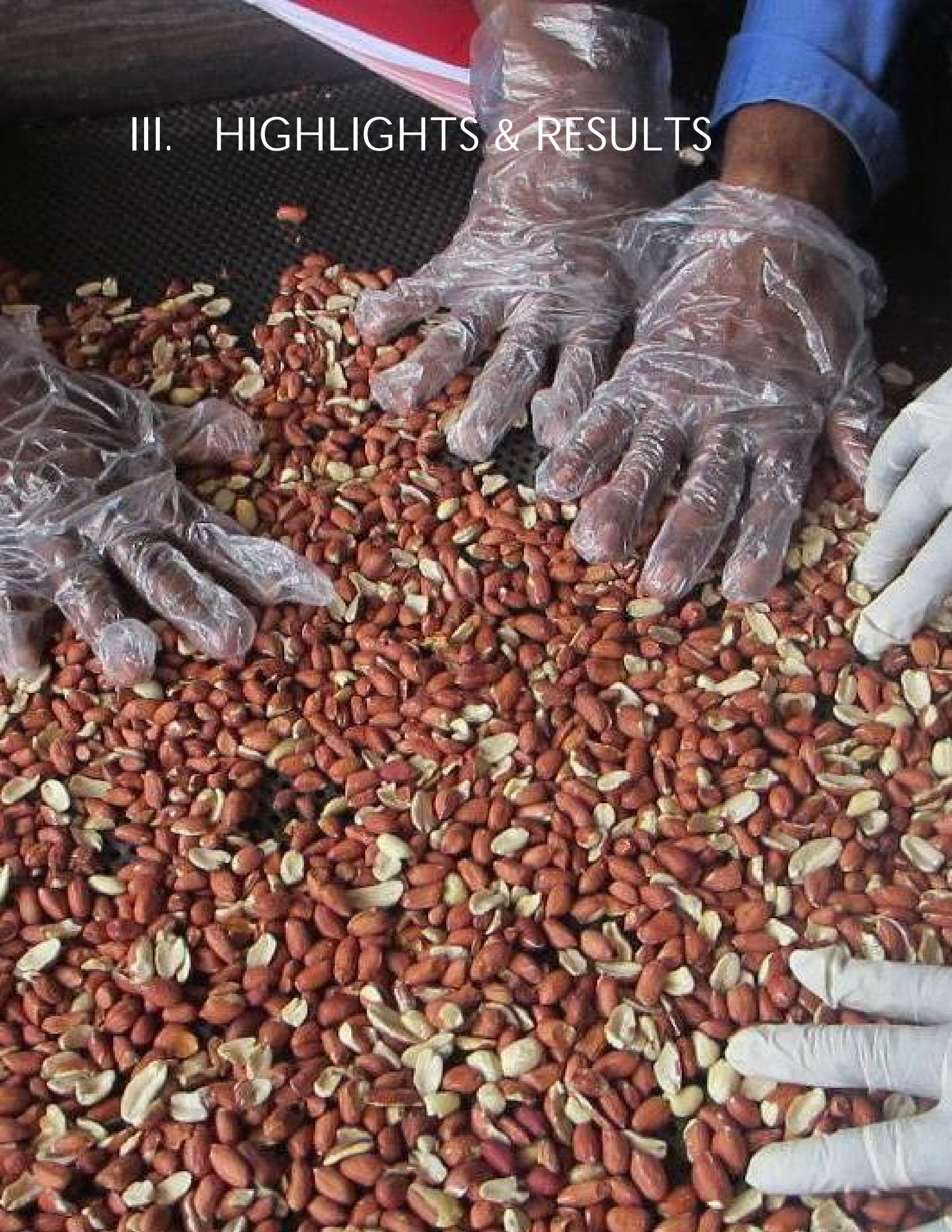
IR1.3: Textiles and Apparel focuses on business linkages between regional and international buyers and African-based garment and textiles manufacturers; and providing technical and advisory support to Botswana and Mozambique to position themselves as attractive and viable investment locations.

IR1.4: Clean Energy works in collaboration with the Regional Electricity Regulators Association of Southern Africa (RERA) and country energy regulatory bodies to build capacity to develop and implement policies, regulations and feed-in tariffs that will enable and attract new investments in clean energy generation.

IR1.5: Enabling Environment supports measures that improve the business climate, environmental compliance and gender integration as enablers of competitiveness and sustainability.



III. HIGHLIGHTS & RESULTS





Trade Facilitation

IV. Trade Facilitation

The Trade Hub's trade facilitation activities continue to be guided by the World Trade Organization's (WTO) 2013 Trade Facilitation Agreement (TFA) and more recently the SADC Comprehensive Trade Facilitation Program (CTFP). The TFA "contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area."¹ Most importantly, it provides for border administrations to be transparent in their dealings with traders and other trade-related service providers in the global trade chain. The TFA was amended in November 2014 to include two new Sections and 11 additional articles that primarily deal with the administrative implementation of the TFA in member states, particularly in regards to Category "B" and Category "C" acceptance based on the provision of technical assistance and support from international donor organizations.

The Trade Hub supports TFA implementation among SADC's member states by promoting modernization tools to facilitate trade and address the following elements:

- Efficiency of customs administration;
- Efficiency of import, export and transit procedures;
- Transparency of border administration;
- Availability and use of Information and Communications Technology (ICT); and
- Improved regulatory environment.

All of the above will result in significant savings to both governments and the trade chain by reducing the time, costs, and burden of complying with border administration; increasing voluntary compliance, and maintaining border security and integrity.

NATIONAL SINGLE WINDOW

According to the World Customs Organization, a "Single Window Environment is a cross border, 'intelligent,' facility that allows parties involved in trade and transport to lodge standardized information, mainly electronic, with a single entry point to fulfill all import, export and transit related regulatory requirements."²

The establishment of a National Single Window (NSW) is seen as a key element of customs modernization and trade facilitation. Following the guidelines of the World Customs Organization (WCO), the Trade Hub set the goal of facilitating the adoption and implementation of a National Single Window as a trade modernization program in Malawi, Namibia, and Botswana.

¹ http://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm

² <http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/single-window.aspx>

MALAWI NATIONAL SINGLE WINDOW

During FY 2015, the Trade Hub's National Single Window (NSW) Advisor, embedded at the Ministry of Industry and Trade in Malawi, continued to engage with top officials in various government departments to support implementation of the NSW in Malawi.

By the end of 2014, a NSW National Steering Committee had been appointed, and the Trade Hub commenced training on Terms of Reference, NSW familiarization, project management, and change management. In late December 2014, the Trade Hub made a presentation to Malawi's Doing Business Committee, to which the NSW National Steering Committee reports, on other countries' implementation experiences as well as the benefits and options for Malawi's NSW. This committee is comprised of key ministers and private sector actors who make major decisions about improving Malawi's international standing on foreign direct investment and ease of doing business rankings. At the meeting, the minister committed to taking the NSW project forward to the president of Malawi for endorsement and priority action.

The NSW Steering Committee will form the various technical committees that must be established in order to provide guidance and support to the MRA Project Management Unit (PMU) that will be appointed and made responsible for the design and development of the NSW. In order to prepare the PMU for its mandate, the Trade Hub provided Project Management Training for the Malawi National Single Window project implementation team from March 9-13, 2015. From May 19-21, 2015, participants from nine different governments and private sector stakeholder agencies were given Change Management Training on NSW.

The Trade Hub also visited Malawi from June 8-12, 2015, to work with the Malawi Revenue Authority (MRA) to establish a technical working group to conduct the legal review for the Malawi NSW. The legal review is designed to assess the country's legislative readiness for NSW and will result in recommendations to harmonize Malawi's legislation with international standards. From August 3-6, 2015, the Trade Hub hosted the Malawi NSW Legal Technical Working Group for sessions to identify a list of priority laws likely to be affected by implementation of National Single Window in Malawi.

Each of the priority laws was then assigned to workshop participants for their analysis so that key recommendations and layperson drafts could be agreed upon. This included the Electronic Transactions Bill, which has the highest priority recommendation for the group as it is a necessary precursor to the NSW.

During the fourth quarter, the Trade Hub visited the Ministry of Industry and Trade (MRA), the Pharmacies, Medicines and Poisons Board, the Malawi Investment and Trade Centre, the Reserve Bank of Malawi, the Ministry of Agriculture, the Malawi Bureau of Standards, the Malawi Police Service and the National Statistics Office to discuss document and data collection and harmonization. An inception report was produced providing an overview of the documentation collected and analyzed for mapping to fit the WCO Data Model, the international standard for customs and cross-border agencies data sets. Based on recommendations included in the inception report, departments will be identified for further training and



Legal Counsel for the Malawi Revenue Authority Chris Likomwa discusses terminology in the Customs Law with Kahaki Jere of the Ministry of Justice

capacity building to move toward WCO Data Model adoption. During the week of August 31, 2015, the Trade Hub traveled to Zomba, Malawi to meet with key personnel of the National Statistical Office and ensure harmonization with the NSW.

NAMIBIA NATIONAL SINGLE WINDOW



Training sessions emphasized how successful National Single Window implementation is built on simplified and harmonized trade processes

The Trade Hub continues to support the establishment of a NSW in Namibia through an embedded advisor and training program. From November 3-14, 2014, the Trade Hub provided Project Management training to the Namibian National Single Window project team and delegates from Customs and Excise and the Ministry of Trade and Industry in Windhoek, Namibia.

During the second quarter, Namibia's Ministry of Trade and Industry appointed personnel to be dedicated full time to the NSW PMU and identified office space for their use. Of significant note, the government of Namibia

allocated US\$1 million for investment in the NSW over the following two fiscal years to take ownership and provide accountability for the successful development of the NSW.

On April 7, 2015, the Trade Hub participated in the second meeting of Namibia's National Single Window Steering Committee at the Ministry of Industrialization, Trade and Small and Medium Enterprises (SMEs) in Windhoek. The NSW Steering Committee is the highest decision-making body for the NSW project and will approve budgetary strategy, define and realize benefits, and monitor overarching project risk, quality, and schedule. Following Trade Hub technical guidance, the Ministry of Industrialization, Trade and SMEs assigned a full-time staff member to the National Single Window project and allocated office space for the project. The Trade Hub hosted a Change Management training seminar for senior managers from government and parastatal organizations from April 28-30, 2015 in Swakopmund, Namibia.

From May 18-21, 2015, the Trade Hub conducted the first stage of the review of Namibia's legal environment for NSW to assess the country's legislative readiness for National Single Window and make recommendations to harmonize Namibia's legislation with international standards. As part of the review, consultations were held with Customs and Excise, Southern African Customs Union (SACU), the Ministry of Justice's Legislative Drafting Unit as well as the Law Reform Commission, the Namibia Trade Forum, and the Ministry of Information and Communication Technology.

From September 21-25, 2015, the Trade Hub also hosted the inaugural workshop of the Namibia National Single Window Legal Technical Working Group in Windhoek. Workshop participants identified a list of priority laws likely to be affected by the implementation of National Single Window, each of which were then assigned to working group members for their analysis. The working group is composed of members from public and private sector agencies, including the Ministry of Justice, Ministry of Industrialization, the Ministry of Information and Communication Technology (ICT), the Ministry of Finance (Customs and

Excise) and the Namibia Trade Forum. Recommendations will be incorporated into a technical report that will be presented to the government of Namibia.



Workshop participants review priority laws likely to be affected by the implementation of National Single Window in Namibia

Also in Namibia, the Trade Hub hosted a training workshop for the country's National Single Window Working Group on Business Process Reengineering (BPR) in Windhoek from September 8-10, 2015. Members of the BPR Working Group attended the training, which was designed to help the group establish its objective and its members' roles, and to provide practical training in the fundamentals of Business Process Reengineering. The working group will receive ongoing support in its efforts from the Trade Hub's National Single Window Advisor based in Windhoek.

BOTSWANA NATIONAL SINGLE WINDOW

During FY 2015, the Trade Hub proceeded with a customs modernization program in Botswana in response to a request from the Botswana Unified Revenue Service (BURS) for technical assistance and to lay the groundwork for implementing National Single Window. The Trade Hub embedded a customs modernization advisor with BURS in September 2014.

On January 21, 2015, the Botswana Cabinet approved a Cabinet Document for the establishment of a National Single Window for Botswana, and formal approval was subsequently issued as a Presidential Directive. The document identified BURS as the lead agency with authority to coordinate all activities related to the development and implementation of NSW. The Customs and Excise Division of BURS now has responsibility to oversee implementation of the NSW project, with technical assistance being provided by the Trade Hub.

The Trade Hub gave a presentation on the regional status of National Single Window and the Trade Information Portal³ as a complementary platform at a Stakeholder Consultative Workshop organized by the

³ National Single Window enables traders to submit all trade-related documents to a single portal, reducing the time and cost of trade, while the Trade Information Portal is a web-based system providing the business community with a comprehensive and continuously updated source of critical information related to trade in a given country.

Botswana Investment and Trade Centre (BITC) on January 27, 2015. The main objective of the workshop was to pave the way for the development and implementation of the Botswana Trade Information Portal.

In March 2015, the Trade Hub met with the Commissioner of BURS to commence a number of planning and preparation activities for action under the National Single Window project. During the third quarter, the Trade Hub conducted a stakeholder engagement and communications audit in Botswana that resulted in a communications strategy to promote awareness and support for NSW. Botswana Customs was identified as the primary target audience for the awareness raising campaign, followed by other trade-related government departments that will be affected by NSW. Support and advocacy from the private sector to promote the speedy adoption and implementation of NSW are also crucial; private trading and logistics firms were thus identified as the other main audience.

From May 25-28, 2015, the Trade Hub presented a Change Management Training Course to representatives of the Botswana government and private sector organizations to begin the process of developing “Change Agents” for NSW implementation. From September 21-25, 2015, the Trade Hub hosted a project management training workshop for prospective members of the Botswana National Single Window Project Management Unit (PMU).



The training was designed to equip PMU members with the project management knowledge and skills they will require to effectively execute projects and implement policies to launch Botswana’s National Single Window

As they also did in Malawi and Namibia, the Trade Hub reviewed the legislative environment in Botswana in preparation for development and implementation of National Single Window. Consultative meetings were held with key government agencies including the Attorney General’s office, the Ministry of Trade and Industry, the Ministry of Health, the Botswana Bureau of Standards, the Ministry of Agriculture, Botswana’s Public Enterprise Evaluation and Privatization Agency, and the Financial Intelligence Authority to establish an inventory of trade-related laws in Botswana that could affect NSW.⁴ The Trade Hub has carried out a comprehensive and detailed review of these laws to highlight any legal impediments to the NSW and has made recommendations how these should be addressed.

⁴ Botswana enacted an Electronic Communications and Transactions Act in 2014. However, it has not entered into force as it awaits supporting regulations. During the meeting with the Ministry of Trade the senior legal consultant was provided with an advance draft of the required regulations and these will be included in the Trade Hub’s legislative review to ensure that the Act and regulations take account of UNCITRAL international standards.

DEVELOPMENT OF TRADE REPOSITORIES

NAMIBIA TRADE INFORMATION PORTAL

On July 22, 2015, USAID's Southern Africa Trade Hub, in partnership with Namibia's Ministry of Finance and Namibia's Customs and Excise, launched a powerful new tool to increase and facilitate cross-border trade. The "[Namibia Trade Information Portal](https://www.namibiatradeinformationportal.gov.na/)" (<https://www.namibiatradeinformationportal.gov.na/>) is a web-based platform that provides an authoritative "one-stop shop" of readily accessible trade, customs, and compliance information. It is designed to significantly reduce the time and effort required for local and international traders to access current information and documentation required for doing business.

The portal is the culmination of many years of collaboration between Namibian government agencies and ministries and the US government, working through the Southern Africa Trade Hub. DeeDee du Toit, Walvis Bay Users' Association, called the trade portal "a dream come true" for the import-export communities.

Much of the coordination and development work required to set up the Trade Information Repository will also facilitate implementation of an electronic NSW.



US Ambassador to the Republic of Namibia Thomas Daughton told the gathering, "This crucial trade facilitation tool is an example of a Namibian solution to improve Namibian commerce – brought to fruition with the assistance of the United States."

SADC COMPREHENSIVE TRADE FACILITATION PROGRAM

In July 2014, the Trade Hub started to assist SADC with the development of a Comprehensive Trade Facilitation Program (CTFP) and provided technical assistance with its implementation.

From September 1-3, 2015, the Southern African Development Community's Directorate of Trade, Industry, Finance, and Investment, supported by the Trade Hub, held a three-day Consultative Workshop on the CTFP in Johannesburg, South Africa. Over 30 representatives from SADC Member States as well as the private sector and the South African Revenue Service (SARS) had the opportunity to review the draft, request edits and changes, and ensure the CTFP will meet their needs.

Of particular note was the overwhelming support from private sector attendees from Malawi, Mauritius, Zambia, and South Africa, who stated the tremendous value in organizing previously fragmented trade facilitation concepts and grounding them in a single source document that any player in the trade chain can understand.



USAID Southern Africa Deputy Mission Director Littleton Tazewell, US Consul General Christopher Rowan, and SADC Senior Program Officer Willie Shumba at one of the CTFP workshop sessions in Johannesburg

On September 10, 2015, USAID's Southern Africa Trade Hub submitted the final version of the CTFP document to SADC officials. The CTFP outlines a harmonized approach to trade facilitation for SADC's Member States to use as a blueprint to help meet the recommendations of the WTO's Agreement on Trade Facilitation and other trade guidelines.



USAID Southern Africa Regional Trade Advisor Paul Pleva, commenting on the importance of the CTFP in the presence of Mark Wilt, Director of USAID Southern Africa Economic Growth Office and Evans Chinembiri, Trade Facilitation Activity Manager and Acting COR of the USAID Southern Africa Trade Hub

The document covers 27 trade-related activities such as National Single Window and Trade Information Portals.

It is expected that final approval for the CTFP will be obtained at the SADC Ministers' Meeting in November 2015, paving the way for SADC to implement the CTFP over the next five years.

IMPLEMENTATION OF CUSTOMS MODERNIZATION PROGRAMS

BOTSWANA LEGAL REVIEW OF THE CUSTOMS ACT

Recognizing the need to modernize and simplify its customs procedures, BURS began the process of drafting a new Customs Act in 2014. To assist in the drafting process, the Trade Hub provided legal review advisors to work line by line through proposed legislation with business analysts and legal advisors from BURS to ensure it meets international and regional requirements and standards (Kyoto Protocol, WCO, SACU and SADC).

The new law will provide the basis for the establishment of new and modernized customs services and business processes that will enable programs such as a National Single Window. The draft is being modeled after a number of successful Customs Law interventions throughout Africa.

The draft is currently undergoing its “Second Reading” after which it will be reviewed by the Attorney General’s Chambers prior to submission to Parliament.

OTHER TRADE FACILITATION ACTIVITIES

TRALAC CENTER SEMINAR ON TRADE LAW

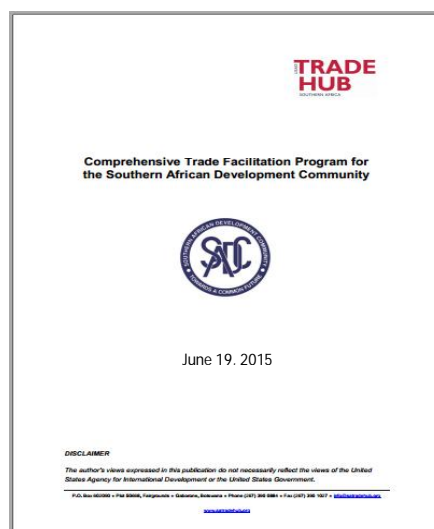
The Southern Africa Trade Hub participated in the “Enhancing US-South Africa Trade and Investment” Seminar in Cape Town, South Africa, from December 9-11, 2014, which was hosted by the Trade Law Center (TRALAC) at the University of Cape Town School of Business. Attendees included representatives from the National Retail Clothing Federation of South Africa, the US government, private sector actors, and local policy makers.

COORDINATED BORDER MANAGEMENT MONITORING ASSESSMENT IN MALAWI

As part of the Trade Hub’s Monitoring and Evaluation activities, a border assessment activity was carried out at the Mwanza and Songwe border crossings. The purpose of the assessments was to determine the capacity and sustainability of border agencies to benefit from Trade Facilitation technical assistance in developing a Coordinated Border Management (CBM) program in Malawi. This activity was designed to confirm that the border agencies participating in the CBM were still actively engaged and that the program is sustainable.

The border assessments carried out in Malawi in February indicated the following:

- Both the Mwanza and Songwe Joint Border Committees (JBCs) are still in place and meet regularly to address operational and other issues affecting their borders jointly;
- The Mwanza JBC has expanded the scope of the JBC to include the local chiefs, the office of the District Commissioner, and Mwanza Town Police. The new members have special interests in the affairs of the border especially with regard to security of the border, employment of casual labor, control of movement of people, and linkage with the Ministry of Industry and Trade;



- Border dwell time for exports (outbound traffic) has been reduced significantly at both Mwanza and Songwe;
- Border dwell time for imports (inbound traffic) at both borders has increased; and
- Communication and coordination among agencies working at the borders has improved.

COORDINATED BORDER MANAGEMENT (CBM) WORKSHOP FOR BOTSWANA

The Southern Africa Trade Hub co-sponsored a three-day workshop in Gaborone, Botswana on March 16, 17, and 19, 2015, to increase awareness of the benefits of CBM and the need for this trade facilitation approach in Botswana. CBM promotes integration and cooperation among border agencies to avoid duplication, repetition, and delays. Improved border agency cooperation is a key provision of the World Trade Organization's Trade Facilitation Agreement.



Trade Hub Transport Specialist Magdeline Mabua at the Coordinated Border Management workshop in Gaborone

Pretoria. Representatives of USAID and the State Department joined the US Customs and Border Protection Attaché and representatives of SARS in a dialogue to discuss the benefits of implementing trade facilitation measures in line with the WTO TFA.

The discussion covered reducing non-tariff barriers to trade, reducing transit times for regional trade shipments, and the economic benefits available to South Africa for making investments in trade facilitation.

TRADE HUB PRESENTS ON TRANSIT SOLUTIONS TO REDUCE THE COST OF TRADE AT WCO IT CONFERENCE AND EXHIBITION

The Trade Hub presented at the World Customs Organization's Information Technology Conference and Exhibition May 6-8, 2015, in Freeport, Bahamas on the topic "Efficient Transit Solutions for Reducing Costs of Trading."



Trade Hub team members with Mwanza Joint Border Committee Chairperson E. Sibale

Workshop was also an opportunity for Botswana to discuss the Presidential Directive that was signed in January 2015 to make way for the implementation of the key trade facilitation tool National Single Window. In his address to the workshop, the BURS Commissioner General noted that, "a special thank you goes to the Southern Africa Trade Hub [which] has been instrumental in helping us in reaching the point that we are now at with the Single Window, and we sincerely appreciate the Trade Hub as our partner."

ROUNDTABLE ON TRADE FACILITATION HOSTED BY US EMBASSY SOUTH AFRICA

On April 23, 2015, the Trade Hub attended a roundtable discussion on regional trade at the residence of the Deputy Chief of Mission for the US Embassy in

The Trade Hub also sponsored four delegates to the conference: The Commissioners of Customs for Namibia, Botswana, and Malawi, and a representative of the SADC Trade, Industry, Finance, and Investment Directorate.

The delegates obtained detailed information from private sector technology providers as they prepare to make decisions about National Single Window technology solutions.

TECHNICAL ASSISTANCE FOR THE WTO TRADE FACILITATION AGREEMENT IN LESOTHO

During the week of August 10, 2015, the Trade Hub conducted training on the WTO TFA for the Lesotho National Trade Facilitation Committee at the request of the Lesotho Ministry of Trade and Industry.

Participants came away with an understanding of the Trade Facilitation Agreement articles and the obligations of WTO Member countries.

The workshop resulted in draft Terms of Reference for the National Trade Facilitation Committee and a work plan for ongoing future action.



Members of Lesotho's National Trade Facilitation Committee

On September 1, 2015, USAID's Southern Africa Trade Hub funded a multi-stakeholder workshop for the government of Lesotho through the Ministry of Trade and Industry on the formulation of a National Trade Policy. The purpose of the workshop was to make stakeholders aware of the country's need for a comprehensive national trade policy document.

The workshop also encouraged dialogue on the thematic areas of the policy and assisted with the selection of technical working groups. Approximately seventy participants from public and private sector organizations attended the workshop.



Agricultural Value Chains

www.satradehub

V. Agricultural Value Chains

As a partner of the Feed the Future (FtF) program, USAID's Southern Africa Trade Hub works hand-in-hand with Malawi, Zambia, and Mozambique to develop their agriculture sectors and break the cycle of poverty and hunger to promote global prosperity and stability. The Agricultural Value Chains component focuses on the following four primary result areas across the targeted value chains of maize, groundnuts, and soybeans:

- Improved storage and structured trade;
- Improved standards and quality;
- Increased investment and technology transfer; and
- Strengthened regional organizations.

IMPROVED STORAGE AND STRUCTURED TRADE: WAREHOUSE RECEIPT SYSTEMS (WRS) DEVELOPMENT

The Trade Hub is working in three countries to establish and support operations of a Warehouse Receipt System (WRS). A WRS allows farmers to store grain and sell when prices are favorable, using their warehouse receipt as collateral for inputs and other expenses in the meantime. Without such a finance facility, small farmers and traders are forced to sell their grain virtually immediately after a harvest when markets are usually in surplus and prices are low.

MOZAMBIQUE WAREHOUSE RECEIPTS SYSTEM

Throughout FY 2015, the Trade Hub worked with Mozambican stakeholders to take the WRS from a Risk Assessment survey carried out early in the first quarter, through the establishment of a steering committee, preparation of warehouse sites, negotiations with banks for finance, the design of an online system, and training of operators, to final delivery.

In April 2015, the first test demonstration was held on the web-based WRS platform, www.mozwarehouse.com, which was developed by a South African firm, AppSolve with Trade Hub support. Export Trading Group (ETG) and Cargill warehouse sites in Beira, Chimoio, Catandica, Gurue, and Nampula were prepared for the WRS using Strategic Partnership Grant support.

On May 28, 2015, the first-ever warehouse receipt in Mozambique was issued electronically at Catandica in Manica Province in the presence of USAID leadership. A farmer delivered one ton of maize to the weighbridge site, was registered by the system, collected his warehouse receipt copy, received a loan approval, and walked away with his grain safely stored at the Cargill site and a loan to purchase further inputs.



Farmer displays the warehouse receipt he received from ETG in Chimoio, Mozambique



Farmers offload 2.5 tons of maize at the ECA/Cargill warehouse for safe storage using warehouse receipts

Following the first warehouse receipt issued at the pilot Cargill/Empresa de Comercialização Agrícola Lda (ECA) warehouse site in Catandica in May 2015, a total of seven warehouse receipts have been issued through the Catandica, Chimoio, and Beira pilot sites. Some farmers chose not to take finance and simply used the safe storage option to take advantage of volatile maize prices, which doubled from six MTS/kg to 12 MTS/kg between May and September 2015. All farmers and traders that used WRS for maize recorded high levels of additional incomes on the back of the major price increase recorded in maize.

WRS extension and sensitization training was facilitated by the Trade Hub in Chimoio in partnership with international non-governmental organization Cooperative League of the USA (CLUSA), small industry consulting and support organization Gabinete de Apoio e Consultor a Pequenas Indústrias (GAPI), and Technoserve, for extension officers to understand the web-based WRS. In August 2015, the Trade Hub deployed WRS extension training in Nampula and Gurue. In September 2015, Trade Hub technical teams were in Chimoio to complete the warehouse receipt “buy-back” system with the ETG and Cargill pilot sites, which completes the electronic transaction.

The gateway www.mozwarehouse.com, which is now also available in Portuguese, is being updated monthly with progress reports and other resources such as training manuals, through Appsolve SA. Oracle has jointly awarded the USAID Trade Hub and Appsolve SA its "Sustainability Innovation Award," to be announced at Oracle's October annual conference in San Francisco.

The Trade Hub has bolstered the effectiveness of WRS further by identifying Africa Trade Insurance Agency (ATI) as an entity with the ability to underwrite credit risk for the WRS in Malawi. The Trade Hub is providing technical support to assist Mozambique to become an ATI member country in order to take advantage of the agency's export and investment insurance. ATI offers credit risk insurance in exports and imports, which will attract bankers and local insurance companies to participate in the financing of agricultural commodities through supply contracts and warehouse bond insurance. Lower risk exposure will stimulate competitive participation between banks to finance WRS.

Development of the Market Information Systems (MIS) to support the WRS platform is also in progress, and online access to this data should go live by November 2015.

MALAWI WAREHOUSE RECEIPTS SYSTEM

The Agricultural Commodity Exchange of Malawi (ACE) has continued operating the WRS in the country. The Trade Hub worked with ACE Malawi in 2012 to improve their WRS, resulting in the first-ever bank financing for warehouse receipts involving ACE with a total value of US\$200,000. In the following year, finance increased to US\$5 million, and in 2014 it further escalated to US\$8 million, thereby registering exponential year-on-year growth. By 2015-2016, ACE is expected to have the leverage to increase traded volumes over the exchange from US\$8-10 million to US\$60-70 million with more local banks participating and taking advantage of the surety bonds facilitated by the Trade Hub with African Trade Insurance (ATI).

During FY 2015, the Trade Hub's focus has been on developing surety bonds (warehouse bonds) to support ACE and commercial banks in financing the WRS. Warehouse bonds have the potential to increase trading volumes by making WRS finance more available.

The Trade Hub successfully hosted an ATI visit to Malawi during March 2015 in which meetings with ACE Malawi, local bankers, and insurance companies identified appetite for ATI to underwrite credit risk for WRS in Malawi. Using ATI's A+ credit rating from Standard and Poor's, ACE, local banks, and insurance companies will have access and capacity to finance and/or facilitate finance for warehouse receipts and forward grain contracts in Malawi.

In September 2015, the Trade Hub and ATI facilitated an investment workshop in Blantyre that attracted representatives from Malawi's banking and financial sectors. During the workshop, the Trade Hub facilitated ATI and ACE to form a new credit risk insurance policy that gives the commodity exchange of Malawi much more leverage to finance warehouse receipts. As a result, ATI has agreed to insure against non-performance (spoiled or disputed grain in third party warehouses) in the form of warehouse bond insurance. With the new ATI insurance facility, more banks will be attracted to participating in WR finance, which will increase trade through Malawi's Agricultural Commodities Exchange to potentially US\$30-40 million.

Furthermore, following the workshop, the Reserve Bank of Malawi announced capital relief of 50% for banks that make use of ATI facilities. The financing and insurance developments facilitated by the Trade Hub are anticipated to have significant benefit for the agricultural industry in Malawi, increasing storage and structured trade.

ZAMBIA WAREHOUSE RECEIPTS SYSTEM

After months of planning and preparations by the Trade Hub, on September 16, 2015, the first ever electronic warehouse receipt was issued to a farmer in exchange for 50 tons of maize at Grain Silo Services (GSS) in Lusaka with Afgri Zambia acting as the financier.



Farmer Brighton Mwanguku displays the first-ever electronic warehouse receipt issued in Zambia

The Zambian Agricultural Commodity Exchange (ZAMACE) requested Trade Hub support for the development of a WRS after witnessing the success of the Trade Hub-supported Warehouse Receipt Systems in Malawi and Mozambique in providing farmers with access to cheaper finance, higher prices, and safe storage for their crops.

In 2010, the Agricultural Credits Act No. 35 established a legal framework for WRS development in Zambia, but the act had remained unimplemented. On November 7, 2014, the required Statutory Instrument was signed by the government of Zambia, and ZAMACE was appointed as authorized agent to operate and coordinate the system.

In February 2015, the Trade Hub completed the first technical assessment evaluation of ZAMACE structures for WRS development. During the third quarter, the Trade Hub completed a final report on the WRS assessment for Zambia and ZAMACE-contracted South African firm, AppSolve Customised Software, to develop an interim solution for WRS to be rolled out in Zambia. GSS issued the warehouse receipt using a web-based electronic platform designed by AppSolve SA using similar technology to the Mozambique WRS.

As part of the WRS, ZAMACE identified warehouses that could receive and safely store up to 80,000 tons of grain and oil seed from producers and traders. Local insurance companies and financiers participate in the WRS by providing optional insurance and collateral finance against the security of the warehouse receipt.

The Trade Hub has continued to develop Credit Risk Insurance support, working with ATI and ZAMACE. There is significant potential for the development of an extensive ZAMACE WRS in Zambia in the grain and oil seed sectors. Emerging farmers in Zambia already extensively use mobile technology platforms to receive money transfers and market information: technologies that complement the web-based WRS.

AGRICULTURAL STORAGE INVESTMENT FACILITIES (ASIF)⁵

The Agricultural Storage Investment Facilities (ASIF) were developed by the Trade Hub in response to stakeholders in Malawi's agricultural value chain who identified the lack of available warehouse financing as a major obstacle to growth and productivity in the industry. The Trade Hub is working on the development of ASIF with the Agricultural Commodity Exchange for Africa (ACE) in Malawi. In Zambia, the Trade Hub is working with ZAMACE, the Grain Traders Association of Zambia (GTAZ) and the specialized agri-NGO (non-governmental organization), Musika (a Zambian non-profit company that works to stimulate private sector investment in the smallholder market) to develop ASIF.



The Trade Hub's Agricultural Storage Investment Facility will open over 200,000 metric tons in new storage capacity

⁵ Figures indicated in this section of the Annual Report are estimates and are subject to final approval and disbursement by the parties involved in the financing of the ASIF.

ASIF will facilitate commercial long-term finance at competitive US dollar rates to storage operators to finance the development of decentralized storage in the region. With the intention to catalyze regional agricultural marketing platforms such as commodity exchanges and Warehouse Receipt Systems (WRS), the new storage is encouraged to be open to third-party operators and to participate in the WRS.

While supporting the continued growth and efficiency of commercial value chains, the facility is positioned to help reduce grain losses for smallholder farmers and enable farmers, traders, and other value chain players to leverage finance against their grain stocks, increasing food security and farmer incomes. Recent Trade Hub activity has focused on developing bankable business plans and financial modeling for potential investments.

By the end of FY 2015, ASIF had extended from a single pipeline in Malawi to four potential investment lines in Malawi in excess of US\$130 million, and three potential investment lines in Zambia worth in excess of US\$100 million. These investment lines address the entire agricultural value chain from farmers to small traders to the larger agribusiness and processors, unlocking a constrained financing environment and mainstreaming warehousing as an accepted avenue for investment among regional and international financiers, to support the continued expansion of regional warehouse receipt systems and commodity exchanges.

The National Bank of Malawi (NBM), Malawi's largest commercial bank, is working with the European Investment Bank (EIB) on a credit line worth US\$25-35 million for financing agribusiness warehousing. In September 2015, NBM signed the EIB term sheet, entailing a substantial upfront, unconditional (i.e., non-refundable) commitment fee, with a final due diligence expected in late 2015. From March 9-13, 2015, the Trade Hub facilitated the first ever investment mission by the Agence France de Developpement (AFD) to Malawi in partnership with ACE. Further to AFD's meetings with FMB, Malawi's third largest commercial bank, a credit line was provisionally agreed. The credit line will target SME warehousing (with ACE technical assistance) valued at US\$15 million and Farmers World (a large Malawian agribusiness) for US\$10 million investment in rural warehousing.

The National Smallholder Farmers Association of Malawi (NASFAM) is a farmers' association that supports, governs and manages 165,000 smallholder farmers organized into "clubs," as well as providing equitable off-take arrangements through its commercial processing arm. NASFAM had articulated to the Trade Hub the need for rural warehousing for the farmers' clubs, and an agro-industrial complex in Lilongwe. The Trade Hub assisted in drafting business plans, and three institutions have expressed provisional interest to finance NASFAM based on these plans.

The Trade Hub also coordinated with USAID Southern Africa and USAID Malawi on the application of a Development Credit Authority (DCA) facility from Malawian banks to agribusinesses and SMEs. DCA provides partial credit guarantees to financial institutions to help unlock development. The DCA solution is expected to be a key success factor in the AFD/FMB facility to reduce the risk of loans from banks to borrowers such as agribusiness and SMEs.

Meanwhile in Zambia, instead of a credit line approach, direct development finance lines for some of the bigger storage operators are being explored through bilateral financing in deal sizes over US\$10 million. This could apply to 3-4 operators for a total of approximately US\$50 million. However, due to growing risk aversion, these investments could take longer to come to fruition.

By contrast, interest was forthcoming in the SME space. Initial approval was obtained for KfW, the German development bank, to proceed with a review from their supervising ministry, with progress expected during late 2015 and early 2016, towards a facility with potential value of US\$10-15 million. AFD also expressed provisional interest to replicate their Malawi SME investment, and the Trade Hub arranged an investment mission to Zambia in July 2015. Subsequent to the mission, an SME credit line to Zanaco, a leading Zambian bank, has been tabled which could cater for smaller storage operator warehouse investment through an

expected credit line of between US\$15-25 million. An initial step was also taken by ZAMACE and GTAZ, with Trade Hub support, to develop a US\$80 million agribusiness pipeline.

IMPROVED GRAIN STORAGE MANAGEMENT

In the first quarter of FY 2015, the Trade Hub completed a two-year certified grain management training program for the region, which included 12 ten-day intensive courses in Zambia, Malawi, and Mozambique implemented by Ybema Grain Services with the support of a Strategic Partnership Grant from the Trade Hub.

The Trade Hub also completed the Agco Zambia Bags2Bulk project, which provided certified training in bulk grain management and storage.



Students examine stored maize during a Grain Grading and Management course taught by Ybema in Lusaka, Zambia

Further courses organized with Trade Hub support during FY 2015 included:

- A Regional Mobile Grain Training Unit Training Course in Lilongwe, Malawi from March 23 to April 2, 2015 for ACE certified warehouse managers;
- Grain management training to Cargill warehouse managers from outer buying stations in Mozambique in May 2015; and
- Training to storage operators in Malawi and in Zambia in the third quarter of FY 2015.

DEVELOPMENT OF E-CERTIFICATION SYSTEM FOR AGRICULTURAL EXPORTS

E-certification developed electronic (internet or mobile phone-based) methodologies to enhance trade and regional exports. The Trade Hub completed this activity in FY 2015, with a final report submitted to USAID for review. Work included the following:

- The Trade Hub collected baseline data from the agricultural trade and e-certification study for regional trade flows for seed, maize, groundnuts, and soy in the three FtF countries and trading partners for South Africa and Zimbabwe;
- The Trade Hub supported the Seed Control and Certification Institute (SCCI) online data management system, which enables seed companies to register seed growers online, view inspection reports, and obtain licenses via email; and
- The regional SPS strategy developed by the Trade Hub for SADC and presented in August 2015 advances the streamlining of border inspection and certification procedures and focuses on SPS issues for trade facilitation.

A number of follow on activities have been identified to pilot an e-certification scheme in the seed industry. The pilot will be linked into work carried out in FY 2015.

AGRICULTURE KNOWLEDGE/TECHNOLOGY TRANSFER PROGRAMS

The Trade Hub uses its Strategic Partnership Grant (SPG) program to facilitate increased investments and technology transfer between South Africa and the three FtF countries of Malawi, Mozambique, and Zambia. An overview of the SPGs implemented by the Trade Hub is provided in the table below.

SPG ADMINISTRATION AND MANAGEMENT

During FY 2015, final grant funds were disbursed, and the Grantee Handbook was reviewed, updated, and discussed with grantees. The Trade Hub visited with all active SPG grantees in South Africa to discuss grant administration, reporting requirements, cost share documentation, and other administrative and compliance-related matters. All grantee deliverables were reviewed with the grantees to ensure they are on track with the implementation timeline.

During May 2015, the Trade Hub conducted a three-week tour of current and closed grant sites in Malawi, Mozambique, and Zambia. The team obtained first-hand information on the status of implementation of grants, documented results and impacts, and obtained projections on future impacts. Sessions were held with each of the SPG partners to ensure implementation and administrative reporting is on track. Additionally, the team verified compliance with appropriate environmental practices. USAID officials accompanied the Trade Hub on several of these site visits in Malawi and Mozambique.

During the fourth quarter, a second round of site visits was conducted at SPG activity sites to document progress made and impact of Trade Hub funding to FtF country organizations, follow up on reporting and cost share documentation. The Trade Hub used this opportunity to collect success stories and speak directly with beneficiaries as well as document findings in written reports, photographs, and videos.

Strategic Partnership Grants Implemented by the Trade Hub

Grantee	Committed	Country	Amount	Description
Obligated				
CASS	12/1/2012	Zambia	100,000	Provision of groundnut sorting/grading equipment/export
CAPSTONE	9/27/2012	Malawi	100,000	Introduction of new hybrid maize variety to Malawi
AFGRI	12/7/2012	Zambia	100,000	Installation and operation of 15,000 MT of grain storage
SAGM	12/1/2012	Zambia	100,000	Groundnut seed provision and outgrowing/export
NWK	5/22/2013	Zambia	100,000	Soy seed provision and outgrowing
SPINTELLIGENT	11/21/2013	Zambia	100,000	AgriTech Expo
PMD	06/01/2014	Malawi	100,000	Production of Ready to Use Complementary Food (RUCF)
Ybema	08/01/2014	Regional	100,000	Regional Mobile Grain Training Service
Cass/AG Seeds	10/01/2014	Mozambique	100,000	Agro-seed multiplication and processing in Mozambique
Deltamune	09/18/2014	Zambia	90, 000	Establishment of ISO 17025 accredited laboratory services in Zambia
ETG	12/01/2014	Mozambique	100,000	Trade, storage and processing of agricultural commodities in Mozambique
Cargill	12/10/2014	Mozambique	100,000	Agriculture commodities trading and storage

Grantee	Committed	Country	Amount	Description
H A Amman T/A Ammtech	12/11/2014	Zambia	60,000	Manufacture of food processing and packing machinery
Zhauns Business Opportunity	12/11/2014	Zambia	100,00	Processing of hot chili sauce through outgrower scheme of chili, garlic and onion
Intertek Testing Services	12/11/2014	Mozambique	100,000	Agriculture Laboratory Services
MH Boerdery Konsultante	11/26/2014	Malawi	100,000	Improvement of Small Holder Groundnut Marketability through Multiple Value Chains Intervention
Solidaridad	12/1/2014	Mozambique	100,000	Improvement of soil fertility and production yield for small holder farmers in Mozambique
Vermeulen Andele Trust	11/26/2014	Malawi	100,000	Import and Export of Staple Commodities from and within Southern Africa

CAPSTONE/PEACOCK ENTERPRISES (MOZAMBIQUE & MALAWI)

Through this grant, Capstone, an independent South African seed company, entered into a joint venture with Peacock Enterprises Ltd of Malawi to multiply and market "CAP9001." This variety was developed specifically to maximize yield potential in small scale, rain-fed, drought-vulnerable farming systems.

An assessment completed during the second quarter revealed that the second seed variety developed, Peacock 10, and the initial hybrid seed developed, CAP9001, together achieved sales of 162.5 metric tons worth US\$294,000 during the marketing season of April to October 2014.

The seeds are in high demand, and new distribution channels for the hybrid seed now include government, larger seed companies such as Seedco, NGOs, and commercial buyers.

Capstone Seeds exported an additional 0.5 metric ton of parent seed to Malawi for the 2014/15 growing season while establishing trials in Mozambique for new seed maize varieties. Capstone successfully tested four maize hybrid seed varieties and 17 soybean seed varieties in four provinces in Mozambique—Maputo, Nampula, Manica, and Tete—in preparation to register the seeds in Mozambique and commercially multiply them for the local market.

Though registration of some seed varieties will happen after the lifespan of the current grant, multiplication of the drought-tolerant CAP9001 maize seed is now underway in Chimoio, with an expected yield of 10



Felix Dumbe, Founder and President of Peacock Seeds, holding Peacock's CYMMIT award at Peacock headquarters in Lilongwe, Malawi

metric tons in the first season. Almost 60,000 Malawian smallholder farmers received the quality seed last season in 5kg packets and immediately realized the benefits of the improved seed in the context of a nationwide drought.

In August 2015, the International Maize and Wheat Improvement Center and the International Institute of Tropical Agriculture gave Peacock Enterprises one of their annual awards; the second prize for best seed in the region went to CAP9001 for its drought-resistant, high-yielding seed.

CAP9001's drought-resistant properties and the company's increased visibility have increased demand for the product. Peacock is now selling seed back to Capstone Seeds in South Africa, and exports to other countries in the region such as Botswana, Lesotho, and Namibia.

SAGM/JUNGLE BEAT (ZAMBIA)



Sorting groundnuts for peanut butter at Jungle Beat

Through the grant, the Trade Hub supported Jungle Beat in creating value-added products from groundnuts procured from its large network of smallholder farmers. The grant was closed out during the second quarter of FY 2015.

During a field visit to Zambia from August 23-29, 2015, the Trade Hub established that, as a result of the grant, Jungle Beat has made additional investments of more than US\$200,000 to procure equipment from South Africa and further grow its business in the country.

Jungle Beat has also secured export orders for 400 metric tons with companies in South Africa valued at approximately

US\$300,000.

NWK (ZAMBIA)

The grant enabled NWK to pilot a soybean outgrower scheme using their existing grower base and introduce soy as a primary source for soil fertility in rotation to cotton and other crops. Farmers could benefit from increased yield, and surplus soy inventory could be sold. NWK used grant assistance to finance a portion of the soy seed cost and provide extension and agronomy services to farmers introducing new technology. Farmers were contracted to participate in the soy pilot producing soy crops.

PMD PACKAGING/VALID NUTRITION (MALAWI)

Through the grant, Valid Nutrition Malawi is developing a Ready to Use Complementary Food (RUCF) product that targets children under five and pregnant women. As groundnuts are a major component of RUCF, this will create a new market for Malawian farmers to supply aflatoxin-compliant groundnuts. During

the second quarter, the Trade Hub provided Valid Nutrition with technical assistance in marketing/business development to support uptake of the new RUCF product.

A new PMD packaging line procured through the Trade Hub grant was commissioned during the third quarter. The product launch is expected to take place at the end of November 2015. In the first year, Valid Nutrition projects production of 45 tons of the RUCF with the goal of increasing production to 75 tons in the second year.

YBEMA GRAIN SERVICES (MALAWI, MOZAMBIQUE, ZAMBIA)

From 2014 to June 2015, the Trade Hub supported Strategic Partnership Grantee Sierk Ybema Grain Services to conduct six training courses reaching grain handling workers throughout Malawi, Mozambique, and Zambia. The Regional Mobile Training Services (RMTS) program was established in an effort to reduce post-harvest losses in the SADC Feed the Future countries of Malawi, Mozambique, and Zambia through certified grain training in storage and handling.

Since conclusion of the grant, Ybema has been approached by private companies to contract its training services and has sustainably expanded its business in the region. In mid-September 2015, Ybema provided grain handling training to commercial clients Zambia Breweries and CHC Commodities, while the Agricultural Commodity Exchange in Malawi contacted Ybema in early September to provide similar services. Ybema continues to receive requests throughout and even outside the region, demonstrating the successful marketing of its services as well as increased understanding industry-wide of the importance of proper grain handling practices.

CENTRAL AFRICAN SEED SERVICES/AGSEED (MOZAMBIQUE)

This grant focuses on groundnut and soybean certified seed development within Mozambique. CASS has begun implementation, including procurement of equipment and supplies as well as the development of training manuals. The cleaning, sorting, and grading equipment has now been constructed and is being transported to Mozambique. Because of delays in equipment manufacture, the commissioning has been rescheduled to mid-December 2015.

DELTAMUNE/VETLAB (ZAMBIA)

The grant is assisting VETLAB in providing the first private ISO17025 accredited grain and oil seed laboratory service, including aflatoxin testing, in Zambia. This will be the first laboratory accredited with these services within SADC outside South Africa.



Laboratory technician at work in the Lusaka Deltamune-VETLAB facility

Deltamune is in the final stages of laboratory equipment and infrastructure upgrades and has completed installation of a new water system, paved roads, and internal structures to improve access and the efficiency of the lab's interior space.

VETLAB and Deltamune have also begun mycotoxin testing. Staff training is ongoing and includes enhancing grading, equipment utilization, and testing methods. Deltamune and VETLAB are jointly recruiting for a

final staff member to complete the laboratory team. The team is also continuing to prepare its standard operating procedures to complete the final steps for ISO17025 accreditation, which they hope to receive by December 2015.

Independent laboratory services are an important link in the agricultural value chains regionally, enabling commodities exchanges to sustain reputable standards through which traders and buyers can settle disputes and arbitrate variances. The new laboratory services will also encourage foreign investment and enable forward supply contracts to be secured through the exchange.

EXPORT TRADING GROUP (MOZAMBIQUE)

This grant enabled ETG to establish the first ever Warehouse Receipts System (WRS) in Mozambique by piloting WRS in four locations, as well as establishing a new warehouse in Chimoio that will store up to 6,000 tons. To assist in streamlining ETG's intake procedures, the Trade Hub also assisted with an electronic weighbridge, which was installed in the fourth quarter and is fully operational.

The warehouse receipts issued in July 2015 have been settled and the buy-back system completed with farmers that deposited grain and sesame at warehouses in Chimoio and Beira (see above section on WRS).

WRS extension and sensitization training was coordinated between July and September 2015 at sites in Chimoio, Beira, and Nampula. Purchase of grain handling equipment should be completed in October 2015.

CARGILL/ECA (MOZAMBIQUE)

This grant supports increased storage capacity, drying equipment, and the establishment of a WRS. Since grant commencement in the first quarter of FY 2015, the grain dams have been constructed. Each grain dam holds 130-135 tons, increasing the site capacity by approximately 5,200 tons. By September 2015, Cargill/ECA had already purchased 5,400 tons of maize grain this season and expects the total to rise to 6,800 tons in coming weeks. Due to the increased capacity, ECA will be extending their already extensive



A grain dam at Cargill/ECA being filled with maize

farmer network. These farmers will receive training and transportation to bring their grain to the Catandica facility.

They will then have access to a newly initiated WRS, also supported by the Trade Hub.

Through a partnership with Empresa de

Comercialização Agrícola Lda (ECA), Cargill buys maize from thousands of smallholder farmers under contract and from small farmers on the open market.

Currently the site dries maize through the traditional method of laying it out on tarpaulins in the sun. The dryer procured through the grant will enable Cargill to dry 14 tons of maize per hour, significantly increasing their efficiency. In June 2015, Cargill issued the first ever warehouse receipt in the history of Mozambique through their WRS developed in conjunction with the Trade Hub.

AMMTECH/COMACO (ZAMBIA)

Ammtech is a high precision agricultural machinery manufacturer based in South Africa who is partnering through the grant with Community Markets for Conservation (COMACO), an agricultural venture based in Lusaka, Zambia, to produce peanut butter for the Zambian market and provide extension services to smallholder farmers in Zambia's Eastern Province.

Threshing, drying, and bottling equipment purchased through the grant was delivered by Ammtech and commissioned in the third quarter. As a result, COMACO has increased output of its peanut butter product by threefold. With growing demand for the "It's Wild" peanut butter across Zambia, COMACO hopes to begin exporting its popular products to South Africa and throughout the SADC region in 2016.

COMACO's food products use all natural raw ingredients produced sustainably in Zambia by the small-scale farmers COMACO supports with extension services and inputs. With the increased production capacity and demand, COMACO will require additional inputs; they plan to at least double their purchasing from local groundnut farmers. The Trade Hub is also supporting COMACO to achieve Hazard Analysis Critical Control Point (HACCP) status for its peanut butter production to gain access to regional export markets.



COMACO worker taking product to the packaging line

MH BOERDERY/NASFAM (MALAWI)

A Strategic Partnership Grant was awarded to improve smallholder groundnut marketability in Malawi to MH Boerdery Konsultante in partnership with the National Association of Smallholder Farmers of Malawi (NASFAM), a farmer-directed business system based on the individual participation of over 100,000 Malawian smallholders.

The grant supports NASFAM to upgrade their central groundnut processing plant and animal feed processing plant, as well as enhance farmers' access to technology and storage facilities in Lilongwe South. The upgrades will increase the production capacity of the groundnut processing plant from two to five tons per hour. It is estimated that ten thousand farmers in Lilongwe South will benefit from new equipment and a new warehouse facility provided under the grant. Work to complete the new warehouse facilities provided under the grant is in advanced stage, with commissioning expected to take place at the end of November 2015.

SOLIDARIDAD (MOZAMBIQUE)

The Trade Hub awarded a Strategic Partnership Grant to Solidaridad, a regional NGO based in South Africa, for maize and groundnut value chain development (including outgrower linkages) in the districts of Guro, Machize, Mossourize, Tambara, and Bárúé in Manica Province in Mozambique.

Solidaridad is utilizing the grant to introduce a crop rotation system to local farmers, which will alleviate the loss of soil fertility by incorporating soy and groundnuts into the local cotton and maize value chains. In addition, the highly nutritional soy and groundnuts will enrich the limited diet in the province while the

surplus crops provide a high-value, alternative revenue stream for the farmers. In the second quarter, Solidaridad trained “farmer leaders” who provide sustainable extension training to other farmers through demonstration plots.

Farmer group members are going to benefit from improved seed from revolving seed loan for soy and groundnuts in the 2015/16 season, while demo-plots for good agronomic practices are going to continue under the management of lead farmers with technical assistance from Solidaridad.

ZHAUNS/LUMUNO ORGANIC FARMS (ZAMBIA)

As a result of a Strategic Partnership Grant from the Trade Hub, in July 2015 new equipment was installed at Lumuno Organic Farms, a processing company that produces condiment sauces in Zambia. Lumuno received a food crusher, a shrink wrapper, and a filling, capping, and labeling machine from South African manufacturing company Zhauns.



The President of Kenya, Hon. Uhuru Kenyatta, examines product from Trade Hub Strategic Partnership Grantee Lumuno Farms

Lumuno expects to be able to boost production capacity from 9,000 to 15,000 bottles of chili sauce per month with the new equipment. As part of the outgrower scheme, Lumuno will guarantee an end market to smallholder farmers to supply chili pods, onions, and garlic to Lumuno and to receive special training. While most of the expanded production will be sold locally, Lumuno is ultimately seeking to export to the south and east African regions.

INTERTEK (MOZAMBIQUE)

This grant supports laboratory development for mycotoxin analysis and testing and aflatoxin mitigation and testing in Mozambique. A new high-performance liquid chromatography (HPLC) aflatoxin testing machine procured through the grant was commissioned at the Beira Intertek agricultural laboratory on September 22,

2015. It is estimated to reduce the testing cost from US\$120 per test (in South Africa) to about US\$16 per test in Beira.

The machine, which is the latest in its range, will reduce the waiting time for test results from over 60 days to just four days. The new machine has the capacity to run 300 tests a day in a single operation while still distinguishing between types of aflatoxin to give more accurate results. HPLC testing is recommended and demanded for exports of groundnuts to major markets. Intertek is anticipating 60% increase in demand of the testing services in the next agricultural season.

Through quality certification, smallholder farmers will be able to receive a better price for their groundnuts, making it easy to recuperate the cost of testing. Ultimately, the grant will facilitate Intertek's ISO 17025 accreditation, making it the first non-government, non-university accredited lab in Mozambique.



A technician calibrating the new HPLC acquired by Intertek for its Beira Laboratory

VERMEULEN ANDELE TRUST/ADMARC (MALAWI)

The grant is enabling the installation of a sorting, grading, and cleaning plant in Malawi to address post-harvest handling challenges. The activity will help build confidence in the South African market for the purchase of soy and groundnuts from Malawi and increase market opportunities for these commodities.

The first round of equipment subsidized through the grant has arrived at the Lilongwe facility and has been assembled.

AGRITECH EXPO ZAMBIA DEVELOPMENT

TRADE HUB SPONSORS SUCCESSFUL FARMER TRAINING PROGRAM AT AGRITECH EXPO IN ZAMBIA

From April 17-19, 2015, the Agritech Expo in Chisamba, Zambia promoted technology and skills transfer to the regional farming community of southern Africa. Over 10,000 small, emergent, and commercial farmers as well as members of the public attended the expo—a 20% increase over last year's numbers—to investigate new products, technologies, processing methods, and applications in the agriculture sector.

A Strategic Partnership Grant with the Trade Hub enabled the Expo to launch with a strong start in 2014. For the 2015 Expo, the Trade Hub sponsored a farmer training program composed of technical workshops and panel discussions that included 16 presentations from experts in their fields. The Trade Hub moderated the program in conjunction with the Zambia National Farmers Union (ZNFU). The presentations covered everything from irrigation and crop management to livestock and commodity markets. The Trade Hub also supported a training program for exhibitors to enhance their business-to-business skills and increase sales during the Expo.

Due in part to Trade Hub support in its inaugural year, the Agritech Expo has now become a sustainable annual event and has committed to a five-year partnership with ZNFU. With 112 exhibitors this year, it is the largest agricultural show in SADC (outside of NAMPO in South Africa) and an example of sustainable technology transfer and development from the Trade Hub.

AFLATOXIN MITIGATION

Aflatoxin (a mold which develops into a toxin) consumption is a serious health concern causing stunted growth in children and liver disease. Aflatoxin contamination results from poor storage and handling conditions, especially in geographic areas with high temperatures and humidity.



Groundnut quality control sorters at Afri-nut in Lilongwe, Malawi

AFLATOXIN REMOVAL IN GROUNDNUTS TRAINING

During the first quarter, the Trade Hub carried out an assessment of the impact of its training program on aflatoxin removal, which showed that:

- The direct training of farmer group representatives by the Trade Hub has resulted in significant further outreach as up to 25,000 farmers have consequently been provided with exposure on the aflatoxin issue;
- Farmers are adopting the technologies for reduction in aflatoxin contamination as taught by the Trade Hub; and

- Local NGOs (e.g., OLIPA-ODES) are further scaling up the aflatoxin removal trainings and methodologies.

In Mozambique and Zambia, the Trade Hub carried out impact assessments for the implementation of training in aflatoxin mitigation by farmer leaders (trained by the Trade Hub) to farmers at farm gate level. Out of the farmers interviewed in both countries, 95% demonstrated sufficient knowledge of aflatoxin, how contamination takes place, preventative measures to reduce contamination, and sorting and grading for contaminated nuts to improve food safety. In Zambia, two farmer leaders had trained over one hundred households while in Nampula, Mozambique, farmer leaders claimed to have reached over 4,000 households.

The main message being communicated to the farmers was the effect of aflatoxin on their health and that of their animals. As a result, farmers are no longer eating contaminated nuts. In addition, the farmers are implementing the post-harvest technologies demonstrated by the Trade Hub on harvesting, drying, and storage. It was clear that the farmers realize improving the quality of their groundnuts will fetch higher prices in the market.

PROMOTION OF IN-SHELL GROUNDNUT TRADING

The Trade Hub hosted a successful three-day in-shell Groundnut Trading Workshop in Lilongwe, Malawi from January 27-29, 2015. The objective of the workshop was to increase the procurement of in-shell groundnuts from producers in order to reduce aflatoxin contamination in commercial groundnuts. Purchasing groundnuts in-shell gives processors control of the crop earlier and allows them to limit aflatoxin levels through proper handling, sorting, grading, shelling, and quality storage in properly controlled facilities. This reduces processing costs and volume losses in the entire value chain. Presently, it is estimated that over 60% of contamination happens at the farm gate level due to poor post-harvest handling.

During the third quarter, preliminary field research for the promotion of in-shell groundnut trading in Mozambique was carried out in Nampula. Based on the results of the field work, a pilot curriculum was designed for the training aimed at producing an economic in-shell groundnuts trading model to be implemented by IKURU and ETG.

From July 8-9, 2015, USAID's Southern Africa Trade Hub held a training and learning workshop with key groundnut supply chain actors in Mozambique to develop a pilot in-shell groundnut trading model.

BLUE BOX TECHNOLOGY PROMOTION

The Blue Box is an affordable precision tool kit composed of sampling and testing instruments that provides on the spot quality control to monitor crop or grain condition. It can be used both in the field and in storage facilities at any stage in the value chain. In storage facilities, the results can be used to control for conditions that may contribute to the growth of the aflatoxin fungus such as temperature, moisture, and humidity. The Blue Box comes with full service backup and training.

In coordination with Integrating Nutrition in Value Chains (INVC) and Universal Industries, the Trade Hub held two one-day workshops in May 2015 in Blantyre and Lilongwe to showcase “Blue Box” technology as a way of controlling aflatoxin levels in stored groundnuts and other cereals. Processors, storage operators, commodity exchanges, farmer organizations and farmers attended the workshops, and representatives of the Ministry of Industry and Commerce also participated.

On August 12, 2015, USAID's Southern Africa Trade Hub sponsored a workshop to introduce Zambian millers, agrifood processors, storage operators and commercial farmers to Blue Box technology to help control aflatoxin contamination in storage facilities.

On September 15, 2015, Intertek Laboratories demonstrated the "Blue Box" technology at the USAID Southern Africa mission in Pretoria, South Africa. USAID has awarded a Strategic Partnership Grant to Intertek through the Southern Africa Trade Hub to roll out this technology in Malawi and Zambia.



Paul Pleva, USAID's Regional Trade Advisor, William Benjamin, Feed the Future Coordinator and Agriculture Team Leader, and Patricia Rwasoka-Masanganise, Senior Agricultural Development Specialist of USAID's Regional Economic Growth during the briefing from Intertek representatives

ACCREDITED LABORATORY TESTING SERVICES

DELTAMUNE/VETLAB ZAMBIA STRATEGIC PARTNERSHIP GRANT FOR ACCREDITED LAB DEVELOPMENT



The new VETLAB logo depicts the partnership between Deltamune SA and Vetlab Zambia to establish a quality service provider for the Zambian agricultural industry

A Strategic Partnership Grant was awarded to Deltamune, a South Africa-based biotechnology company, to establish ISO17025 accredited laboratory services in Zambia, the first of their kind to be available in the country. (See above section on Technology Transfer.)

Currently, SADC businesses in the region are forced to send their samples to South Africa for testing, which is expensive and time-consuming. The grant will enable Deltamune to make appropriate investments in the lab, attain accreditation, conduct training, finance a senior management person, and hire a Zambian apprentice who will assume management responsibilities once all qualifications are met.

Deltamune South Africa will serve as the reference and calibration laboratory for the Zambian lab.

Deltamune SA launched a new brand and logo for the recently upgraded VETLAB laboratory service in Lusaka, Zambia, on June 11, 2015, in front of an audience comprised of agricultural industry stakeholders, government, and donors. Milestones and deliverables are nearing completion.

INTERTEK STRATEGIC PARTNERSHIP GRANT FOR LAB DEVELOPMENT IN MOZAMBIQUE

Thanks to a Strategic Partnership Grant from the Trade Hub (see above section on Technology Transfer/Grants), a new HPLC aflatoxin testing machine has been commissioned at Intertek's Beira agricultural laboratory, and imported foodstuffs and agricultural samples from World Food Program and World Vision are already being tested for mycotoxins.

Prior to the acquisition of this machine by Intertek, aflatoxin testing could only be conducted in South Africa, requiring up to three months to receive results at a cost of more than US\$120 per test. The increased laboratory capacity will give commercial traders the opportunity to conduct in-country analyses more quickly and affordably, further enhancing the competitiveness of Mozambique's agricultural products in the global market.

Intertek has concluded training of its laboratory staff on the use of the new equipment, and a South African technician calibrated the equipment. The laboratory is now working towards accreditation by obtaining ISO17025 certification.

SOUTH AFRICAN GRAIN LAB TRAINING PROGRAM

In coordination with Southern African Grain Laboratories (SAGL), the Trade Hub sponsored an intensive ten-day training and certification course ending on July 31, 2015, for selected technicians from Malawi and Zambia. The first half of the course covered the procedures and standards required for ISO17025 accreditation for Agricultural Laboratories, and the second phase trained technicians on grading, analyses, and chemical testing procedures for maize, soy, and groundnuts.

The course is the first of its kind in Africa and was designed to transfer skills and technical understanding from South Africa to the Feed-the-Future countries of Malawi and Zambia. The curriculum for the training was specially created by SAGL to incorporate the results of an eight-lab assessment survey completed in April and May 2015 that identified crucial needs and typical laboratory conditions in the FtF countries.

HARMONIZATION OF GRAIN GRADING SERVICES

The Trade Hub commissioned a regional FtF grading standards assessment survey, which was carried out during the third quarter in Malawi, Mozambique, and Zambia. A Scope of Work (SOW) for the development of a regional harmonized grading standards implementation plan was subsequently developed. The actual work under this SOW will commence in January/February 2016 once ZAMACE and ACE commodity exchanges can facilitate the workshops to host stakeholders from government and industry.

STRENGTHENED REGIONAL ORGANIZATIONS

SOUTH AFRICA NATIONAL SEED ORGANIZATION (SANSOR)

During FY 2015, the Trade Hub worked with the South African National Seed Organization (SANSOR) to develop a Seed Market Intelligence Platform: a web-based platform that helps seed companies plan for seed market demand and better meet the needs of producers.

Key actions undertaken include the following:

- Trade Hub has identified (and supported contracting of) a highly skilled ICT specialist with an extensive knowledge of the seed industry;
- A full demo version has now been developed (within two months after start of work by the consultant) and is being tested; early feedback has been very encouraging; and,
- The roll out will be driven by the seed industry once the system has been finalized. This includes the maintenance of a new server and administration of the online database by SANSOR.

SADC SPS REGIONAL STRATEGY DEVELOPMENT

On August 4, 2015, senior staff of the SADC Secretariat, government officials from the United States Embassy Botswana, USAID, and the Southern Africa Trade Hub gathered at the SADC Secretariat for a ceremony to celebrate the handover of the completed Regional Sanitary and Phytosanitary (SPS) Strategies for Food Safety, Plant and Animal Health.

The Regional SPS Strategies, developed by the Trade Hub at the request of SADC, will strengthen the capacity of SADC's Member States to effectively manage sanitary and phytosanitary risks by implementing SPS measures consistent with international standards and best practices.

Robust and effective SPS measures and quality controls promote intra-regional trade in plant and animal products, food safety, and the timely management of SPS-related threats.



US Ambassador to Botswana Earl Miller presents the SADC Regional SPS Strategy to Willie Shumba and Margaret Nyirenda of SADC

As US Ambassador to Botswana Earl Miller stated during his address at the ceremony, “The US government believes improving SPS strategies will lead to increased trade flows in Southern Africa: promoting economic growth, creating jobs, and increasing the standard of living for hardworking people across our region.”

SADC SEED CENTRE AND SADC HARMONIZED SEED PROTOCOL

The Trade Hub provided technical assistance in FY 2015 to advance the SADC Harmonized Seed Regulations (HSR) by assisting the SADC Seed Centre to establish the online SADC [Seed Variety Catalog](http://sadcseedcentre.org) (<http://sadcseedcentre.org>) and by supporting consultations among regional seed sector stakeholders to raise awareness of the HSR. The Trade Hub has also promoted national seed system alignment to the regional system and brokered partnerships in the private sector to advance seed trade transactions.

The SADC Harmonized Seed Release Protocol and the HSR seek to increase the variety and quality of seed available across the region to foster higher yields. With the implementation of the Protocol, it is expected that the private sector will increase investment where costs for participation are manageable and the responsible public authority is proactive.

During the third quarter, the Trade Hub carried out a review of current legislation to align seed regulations to the SADC Protocol in Zambia, Malawi, and Mozambique. As part of its support for the Protocol, the Trade Hub will improve understanding of the SADC seed systems at the national levels, help build a constituency for regional seed trade, and explore opportunities to fast-track the regional approaches in the three countries. Dialogue and awareness workshops on the progress of SADC Protocol and local implementation were held in Mozambique and Zambia.



During the launch of MRI514 on September 29, 2015, USAID Southern Africa Deputy Mission Director Littleton Tazewell stated that, "Seed varieties like the one we are welcoming to Swaziland today have the ability to transform agriculture in Southern Africa and accelerate productivity throughout the region"

The Southern Africa Trade Hub is also assisting the Seed Control and Certification Institute (SCCI) in Zambia to develop a new data management system, which will enable seed companies to register seed growers online and receive their licenses by email from SCCI, improving the speed of registration and application.

Successful implementation of the new system will reduce private sector costs for certification and the corporate burden involved in accessing SCCI's services. Zambia is the second largest exporter of seed maize, and the results of this intervention are expected to increase exports as the number of licensed growers increases, along with an increasing number of new varieties available.

In July 2015, the Trade Hub and the Zambia Seed Trade Association (ZASTA) held an awareness-raising event in Lusaka to demonstrate the impact and ownership taken by privately owned seed companies and government organizations in Zambia to make use of the opportunities provided through SADC's harmonized seed regulations.

On September 29, 2015, Umlimi Lokhonile Seeds (which means "the farmer is able") from Swaziland launched MRI514, a hybrid maize seed from Syngenta MRI in Zambia, making Swaziland the first country to demonstrate practical implementation of the SADC harmonized seed system.

Under the system, once a seed variety is approved in two SADC countries, it can be released in all SADC countries without extensive trials and paperwork, making investment in seed development more attractive and profitable.

The release of MRI514 into Swaziland represents a significant milestone in regional integration and the development of seed markets. MRI514 is an early maturing, drought tolerant maize variety with a potential yield of 10 metric tons per hectare.



Textiles & Apparel

VI. Textiles and Apparel

The USAID Southern Africa Trade Hub's activities and interventions in the textiles and apparel sector contribute to USAID's overarching objective of increasing international competitiveness and intra-regional trade in Southern Africa. Specific goals for work in the sector include:

- To increase the amount of regional and international trade in textiles and apparel products;
- To expand the level of awareness among buyers and investors of underutilized capacity at regional factories; and
- To increase awareness of policy, regulatory, infrastructural, and business climate improvements that will enable growth in textiles and apparel (and other types of light manufacturing) in the region.

SOURCE AFRICA 2015

From June 9-11, Source Africa 2015 was held at the Cape Town International Convention Centre (CTICC) featuring exhibitors from South Africa, Mauritius, Lesotho, Botswana, Swaziland, Madagascar, Mozambique, Tanzania, Ethiopia, Nigeria, Zimbabwe, and many other countries.

Over 200 people attended the opening of the Source Africa seminar series on African Growth and Opportunity Act (AGOA) Renewal and Its Impact, which featured a wide array of top international speakers.

Abisha Tembo from the Department of Trade and Industry welcomed guests while the US Counsel General in Cape Town, Teddy B. Taylor, opened the trade show and introduced the keynote speaker, Assistant United States Trade Representative for Apparel and Textiles, Gail Strickler, in the presence of Mark Wilt, Director of the Regional Economic Growth Office, and Paul Pleva, USAID's Regional Trade Advisor and Acting Mission Director Alonzo Wind from USAID Southern Africa.



Global Trade Advisor for MGF Sourcing Mark Neuman gave a dynamic presentation on accessing duty free opportunities to the Source Africa seminar attendees

The seminar series gave buyers, suppliers, and industry players the opportunity to hear directly from policy experts and analysts in the sector, as well as ask specific questions of the panelists about AGOA and sourcing in Africa.

Over the past four years, Source Africa has been transformed into an important annual pan-African textile, clothing, footwear, and fashion accessory trade event on the global calendar, attracting over 1,600 international and regional buyers and more than 200 African exhibitors. Source Africa continues to demonstrate that African manufacturers can compete globally on price, quality, and standards. It also ensures that international buyers from the US and Europe have access to a wide array of diverse products and services within a single platform.



An exhibitor at the 2015 Source Africa show talks to a potential buyer

During FY 2015, the Trade Hub worked closely with a number of partners, including Source Africa organizer Leaders in Trade Exhibitions (LTE), the US Trade Representative, USAID Southern Africa, and USAID's East Africa Trade and Investment Hub (EATIH) to prepare for a successful event. Specifically, the Trade Hub worked closely with the US Consulate in Durban, USAID, Trade and Invest Kwa-Zulu Natal, and the Durban Chamber of Commerce to organize a "Regional Exporting to the US" workshop in mid-April 2015. Local enterprises, businesses, associations, and government agencies attended the workshop in Durban, which aimed at clarifying the exporting process for apparel, food products, and other goods to the US, and promoting local participation in Source Africa.

On April 29, 2015, major apparel manufacturers and retail buyers, government officials, business associations, and diplomats gathered at the Embassy of the Republic of Botswana in Washington DC for a reception on the renewal of AGOA and the promotion of Source Africa. The reception was co-hosted by USAID and USTR and organized by the Southern Africa Trade Hub, in close cooperation with the Embassy of the Republic of Botswana. Speakers from USAID, USTR, MGF Sourcing, and Source Africa provided

insight and comments on the ongoing AGOA renewal process while encouraging participation and attendance at the upcoming Source Africa trade show in South Africa.

MAGIC TRADE SHOW 2015

Seven companies from Lesotho and Botswana and one South African footwear producer were supported by the Trade Hub to attend MAGIC, the largest textile and apparel sourcing event in the world, from February 16-19, 2015 in Las Vegas. Attendance at the show resulted in early orders of nearly US\$4 million for one Lesotho company, and other attendees have also reported promising follow up with buyers met during the show.

The Trade Hub partnered with the Lesotho National Development Corporation (LNDC) and LTE to present an integrated and carefully branded exhibition pavilion entitled “Sourcing Southern Africa.” To prepare companies for show attendance, the Trade Hub’s communications and textile and apparel teams worked closely with New York-based textile consultancy Fabrikology to conduct a series of due diligence visits and meetings with owners/operators of the Lesotho-based textile and apparel manufacturers heading for MAGIC.

Immediately prior to the MAGIC show, the Trade Hub collaborated with LNDC to organize a seminar for participating companies. Participants were briefed on show preparation, booth set up, marketing materials, how to meet US buyers, following up on buyers’ meetings, and inviting visitors to the upcoming Source Africa trade show in Cape Town.

The Trade Hub also pre-arranged buyer meetings with carefully matched exhibitors. “Those pre-arrangements really helped us a lot,” explained Chris Mohapo of IGM, one of the Lesotho companies that exhibited at Magic. “Fabrikology were very useful to us and very attentive to our needs and they had done some homework previously...so they had already invited targeted buyers to come to our stand, which really helped.”

The southern African presence at MAGIC put the region on the apparel and footwear sourcing map for US buyers and retailers and set a precedent for ongoing participation at the trade show.



Sourcing Southern Africa Participants at MAGIC Las Vegas

At the end of March 2015, the Trade Hub visited Lesotho to follow up with companies that participated in MAGIC, evaluate outcomes, assess benefits, and receive feedback from the LNDC. Most of the Lesotho companies who exhibited have begun communications with potential buyers they met at the show.

REGIONAL TEXTILE AND APPAREL EXPORT PROMOTION

TRADE HUB MISSION TO PROMOTE INCREASED REGIONAL SOURCING BY SOUTH AFRICAN RETAILERS

During the first quarter of FY 2015, the Trade Hub toured South African textile and apparel retailers in Cape Town, South Africa to promote potential strategic partnerships between retailers and regional manufacturers. The specific purpose of the visit was to discuss the sourcing needs and challenges of the retailers in order to capitalize on underutilized manufacturing capacities in the region.

Retailers indicated they are interested in sourcing regionally and are willing to pay the approximately 10% higher prices for products made in the region due to greater speed to market, the rising cost of imports from Asia, and the favorable exchange rate for the South African Rand. The trip confirmed that sourcing executives and buyers are willing to work with regional suppliers, particularly small and medium operations specializing in cut-make-trim (CMT), provided they meet some criteria related to ownership and management, flexibility, and compliance with social and environmental standards.

EXPORTING TO THE US WORKSHOP HELD WITH THE US CONSULATE/DURBAN AND TRADE AND INVEST KZN

In close collaboration with the US Consulate in Durban and Trade and Investment KwaZulu-Natal, the Trade Hub hosted a Regional Export and Trade Facilitation Workshop at the Sun Coast Conference Center in Durban on April 15, 2015, for South African business chambers, the business and manufacturing communities, regional traders, and local government officials.

Experts from the Trade Hub discussed national and multilateral initiatives underway across the region to expedite the movement, release, and clearance of goods. The workshop also explored the opportunities across

Southern Africa to increase regional trade with special focus on the export potential offered by the vast US market. Of particular interest in KwaZulu-Natal are growing export opportunities for agribusiness and processed food producers as well as for apparel and footwear manufacturers to the United States.



US Consul General Frances Chisholm (second from left) with the Trade Hub and TIKZN at the US Consulate in Durban

WRAP SEMINARS IN BOTSWANA AND LESOTHO FOR TEXTILE AND APPAREL COMPANIES ON SOCIAL COMPLIANCE

At the end of April 2015, the Trade Hub sponsored Worldwide Responsible Accredited Production (WRAP) seminars in Botswana and Lesotho to help ensure that textile and apparel companies in both countries are prepared to meet the social compliance requirements crucial to US buyers and sourcing executives.

During the “Sourcing Southern Africa” exhibition sponsored by the Southern Africa Trade Hub at the MAGIC fashion trade show in Las Vegas in February, it became clear the subject of social compliance is of extreme significance to buyers and sourcing executives. Factories must be compliant with international standards in terms of child labor and forced labor, health and safety regulations, prevention of harassment and abuse, safeguards against discrimination, hours of work, compensation, benefits, and freedom of association. The factory should also be committed to environmentally responsible business practices.

PROMOTING VALUE CHAIN DEVELOPMENT AND EXPORT SEMINAR ORGANIZED WITH THE US CONSULATE/DURBAN AT THE AMERICAN CORNER IN PIETERMARITZBURG, SOUTH AFRICA

The Trade Hub, in conjunction with the US Consulate in Durban, organized a briefing on May 22, 2015 at the American Corner in Pietermaritzburg, South Africa, on export opportunities to the United States and trends in global apparel production.

Representatives from local apparel and footwear manufacturers, business leaders, and government officials from Pietermaritzburg, Newcastle, Ladysmith, and other areas of KwaZulu-Natal attended the event. The briefing identified knowledge-based and niche product areas where South African producers can effectively compete in the US market. Discussions covered existing duty free discounts for exporting to the United States, and there was also great interest expressed by the manufacturers regarding the renewal of AGOA.

MAJOR BUYER VISITS APPAREL FACTORIES IN LESOTHO TO DEVELOP SOURCING RELATIONSHIPS

In late May, 2015, the Trade Hub supported a buyer visit to Lesotho for Polyconcept, the world’s largest supplier of promotional products, operating on five continents and selling to over 100 countries around the globe. With main offices in the US, Europe, Hong Kong, Canada and China, the company supplies a wide range of promotional, lifestyle and gift products to several hundred thousand companies ranging from small enterprises to global corporations, through a network of advertising specialty distributors.



A worker at one of the factories on the Lesotho site visit

Rising manufacturing costs in China coupled with a favorable exchange rate has encouraged buyers to diversify global supply chains. The US-Lesotho Trade Preference Program offers local manufacturers

a unique opportunity to export apparel, textiles, and footwear, to the US with up to 30% duty savings. The Trade Hub used its knowledge of the sector in Lesotho to match Polyconcept with export ready companies.

In close cooperation with LNDC, Polyconcept visited production facilities and met with various production managers in Maseru to discuss and review the local supply chain, costing, quality assurance, social compliance, customer base, types of products available, and terms of payment. Initial discussions with manufacturers were fruitful and there is growing interest in trial orders.

LESOTHO FACTORY VISIT BY ASSISTANT US TRADE REPRESENTATIVE FOR TEXTILES

Following closely on the heels of Source Africa 2015 in Cape Town, the Assistant US Trade Representative for Textiles Gail Strickler visited Lesotho with the Trade Hub on June 16, 2015, meeting with government officials including the Minister of Trade and Industry Joshua Setipa and the CEO of LNDC, Kelebone Leisanyane. Accompanied by US Ambassador to Lesotho Matthew Harrington, the trip included visits to several Lesotho apparel factories, including Formosa Textile Company, Tlotliso Holdings, and Luqy Manufacturing.

Luqy and Tlotliso both participated in the MAGIC Las Vegas apparel, textiles, and footwear trade show (the largest in the world) in February 2015 through the support of the Trade Hub. The site visits in Lesotho provided Ms. Strickler first-hand insight into the economic opportunities and job creation generated by AGOA and the increased importance of the apparel exports to the US market.



AUSTR Gail Strickler and US Ambassador to Lesotho Matthew Harrington check out product at Lesotho factory

TRADE HUB PRESENTS AT BOTSWANA TEXTILES AND CLOTHING STAKEHOLDERS' CONSULTATIVE FORUM

The Trade Hub led a discussion on market opportunities at Botswana's Textiles and Clothing Stakeholders' Consultative Forum held on August 4, 2015 in Gaborone, Botswana. The workshop was organized by the Botswana Department of Industrial Affairs and BTCA and designed to discuss the country's textiles and clothing strategy.

MATCHMAKING FOR BOTSWANA MANUFACTURERS

In August 2015, the Trade Hub met with the newly formed Botswana Textile and Clothing Association (BTCA), the Department of Industrial Affairs, the Ministry of Trade and Industry, and lead textiles/apparel industrialists in Botswana to collaborate on the implementation of a medium to long-term Botswana Textile and Clothing Strategy. Botswana faces numerous export challenges including limited market access, underutilized capacity, and capacity deficiencies.

It was agreed that BTCA will profile interested member companies before matching them to selected South African retailers. South African retailers will then be invited to send their own audit teams to evaluate manufacturers and determine next steps for sale and export. The advantage of this type of business-to-business cooperation is that Botswana textile manufacturers can build their capacity, improve competitiveness, and generate potential sales through direct market interactions with target retailers in South Africa. As a result of this initiative, two companies expressed interest, and their profiles were sent to South African retailers for potential matchmaking.

To increase the number of local companies exporting to the United States, the Trade Hub shared information on exhibiting as part of the Africa Pavilion in the MAGIC Show in Las Vegas with BTCA.

TRADE HUB ACCOMPANIES US CONSUL GENERAL ON TEXTILE AND APPAREL EXPORT PROMOTION MISSION TO KWAZULU NATAL, SOUTH AFRICA

During the week of September 7-11, 2015, the Trade Hub accompanied a delegation from the US Consulate in Durban on a visit to Newcastle and Ladysmith in KwaZulu Natal, South Africa. The delegation, headed by Consul General Frances Chisholm, met with textile and apparel companies, business leaders, and government officials to promote bilateral trade and investment.

The Trade Hub highlighted particular opportunities for niche markets such as technical textiles and workwear and discussed AGOA rules and how exporters can benefit from duty exemptions for South African apparel products in the US market. Textile and apparel companies expressed an interest to explore the possibilities of importing US-made raw materials to South Africa and re-export them as final products to the United States.



Clean Energy

VII. Clean Energy

USAID's Southern Africa Trade Hub Clean Energy activities deliver targeted technical assistance to strategic project partners in a number of countries. The programs assist partners to develop enabling energy policy and regulatory frameworks that facilitate investment and scaled up deployment of clean energy technologies. The ultimate goal of the interventions is to increase energy security for economic growth and sustainable development in the Southern Africa region. The work includes the development of policies that attract private investment in the renewable energy projects, capacity building of the energy regulators with the emphasis on the clean energy regulations, and capacity building for the agencies responsible for the clean energy project implementation, such as rural electrification agencies.

The Trade Hub's energy activities and interventions aim to create a sound policy and regulatory framework for promoting sustainable, low emissions development through a range of clean energy activities, including:

- Developing the Renewable Energy Feed-In Tariff (REFIT) Policy and Mechanism for Zambia;
- Advancing capacity building assistance in Zambia to the Energy Regulation Board (ERB) and Rural Electrification Authority (REA);
- Finalizing the development of the Renewable Energy and Independent Power Producer Policy (RE&IPP), including its Strategic Environmental and Social Assessment for Swaziland;
- Strengthening capacity of the Swaziland Energy Regulatory Agency (SERA) to develop modern energy regulations consistent with the new RE&IPP Policy; and
- Enhancing capacity of the Regional Association of Electricity Regulators of Southern Africa (RERA).

RENEWABLE ENERGY FEED-IN TARIFF (REFIT) POLICY DEVELOPMENT IN ZAMBIA

In FY 2015 the Trade Hub continued its technical assistance to the Department of Energy (DOE) under the Zambian Ministry of Mines, Energy, and Water Development (MMEWD) to develop a Renewable Energy Feed-in Tariff (REFIT) policy. This policy enables the government to buy renewable energy from producers at pre-determined prices, attracting private sector investment in the development of clean energy sources. A successful REFIT policy helps reduce price volatility and increase renewable energy uptake in Zambia.

Feed-in tariffs are new in Zambia and require a wide diversity of inputs from multiple energy sector stakeholders from the government, regulator, academia, non-governmental organizations (NGOs), and the private sector. The Trade Hub and the DOE have ensured a wide variety of stakeholders are heard, their concerns addressed, and international best practices incorporated into the draft policy. As part of its open public dialogue, the DOE and the Trade Hub conducted a detailed review of the Draft REFIT Policy with the participation of the Ministry, ZESCO (utility), the Energy Regulation Board, and the Rural Electrification Authority.

On March 17, 2015, the Trade Hub held a REFIT Policy Validation Workshop in Lusaka, Zambia, to provide a platform for key stakeholders to contribute to the finalization of the REFIT policy document and ensure that the final draft document aligns with the expectations of the business community and other participants of the energy sector. Participants at the workshop included members of the Energy Regulation Board, ZESCO, the Rural Electrification Authority, NGOs, academia, donors, and independent power producers. Zambia's Deputy Minister of Mines, Energy and Water Development, Charles Zulu, addressed the workshop, as well as USAID/Zambia's Economic Growth Office Director Anna Toness, who stated in her remarks that "By implementing REFIT, Zambia will foster sustainable energy and economic growth, contribute towards poverty reduction, and reduce greenhouse gas emissions and deforestation."

Based on the input collected from the workshop participants, the Trade Hub completed the Draft REFIT policy document.

In addition to the technical details, the Trade Hub included in the policy a chapter on Gender and Renewable Energy, which identified the ways to increase the participation of women in the implementation of rural electrification and renewable energy projects as a critical factor for social and economic growth in Zambian provinces.

The MMEWD Department of Energy formally accepted the Draft REFIT Policy from the Trade Hub in April 2015.

By September 2015, DOE/MMWED submitted the REFIT Policy to the Cabinet for review and approval by all 22 Zambian Ministries, an important milestone in the policy review process. The Trade Hub continues to monitor the progress of policy adoption.



Deputy Minister of Mines, Energy and Water Development Charles Zulu and Department of Energy Director Charles Mulenga at the REFIT Policy Validation Workshop on March 17, 2015

RENEWABLE ENERGY FEED-IN TARIFF (REFIT) MECHANISM DEVELOPMENT AND CAPACITY BUILDING FOR THE ENERGY REGULATION BOARD IN ZAMBIA

Following the successful validation of the REFIT Draft Policy, the Trade Hub launched the next phase of the REFIT development in Zambia with its main counterpart, the Zambia Energy Regulation Board (ERB). The Trade Hub deployed a group of the international experts from the US and South Africa to develop a REFIT pricing mechanism and implement capacity building for ERB. The DOE/MMEWD and the national utility ZESCO are the major stakeholders also involved in the consultations. The second phase of REFIT development will assist the ERB to:

- Develop and implement a REFIT mechanism in Zambia;
- Develop related models that will be used for future reviews of REFITs
- Estimate tariffs for identified renewable energy technologies; and
- Build capacity of the ERB staff and other stakeholders to estimate and compute REFITs for selected RE technologies and use the developed pricing models.

REFIT development has become a very timely and high profile item in Zambia. The Trade Hub provided several briefings to the US Embassy in Zambia, including two briefings to US Ambassador Eric Schultz, on the status of the REFIT development in Zambia and prospective ways to facilitate REFIT implementation through the programs supported by the US government.

In addition, at the invitation of USAID/Zambia and the EU Delegation in Zambia, the Trade Hub made a REFIT presentation during the meeting of the Energy Cooperating Partners Group in Lusaka on the main concepts of REFIT, an overview of REFIT programs and lessons learned in Africa, and details of the USAID-funded REFIT program in Zambia. In the process of these consultations, the Trade Hub agreed to coordinate efforts more closely with German development bank KfW, which has started developing its “Get Fit” program for Zambia.

The Trade Hub emphasized that the REFIT development is a transparent participatory process. Through a series of extensive stakeholder consultations, the Trade Hub obtained baseline inputs for the regulations and pricing. The Energy Regulation Board contributed to the REFIT development by coordinating the information and data collection.

To prepare the ERB for REFIT development, the Trade Hub conducted a four-day training workshop at the Energy Regulation Board of Zambia focused on the Avoided Cost Tariff. The avoided cost is the price that the utility would have paid if it had to produce the power itself, i.e., the cost the utility would pay if it did not buy the power from a renewable power provider. The workshop gathered trainees from ERB, ZESCO, Department of Energy, and the Rural Electrification Authority.



ERB, DOE, ZESCO, and REA participants at the REFIT Model Training in Zambia

As part of the consultative and capacity building process, on May 28, 2015, the Trade Hub organized a consultative workshop in Lusaka to present a draft standard Power Purchase Agreement (PPA) for renewable energy projects that qualify for Renewable Energy Feed-in Tariff. The Trade Hub presented the proposed draft standard PPA for Zambia's REFIT program and obtained comments and inputs from the workshop participants, which included the Department of Energy, ZESCO, ERB, private developers and other agencies such as KfW.

The Trade Hub continued REFIT training through a series of events. In July 2015, a training and consultative workshop in Lusaka covered the data and preliminary REFIT model with the major energy sector stakeholders, including representatives from ERBD, DOE, Rural Electrification Authority (REA) and ZESCO. In August 2015, the Trade Hub conducted a five-day comprehensive training in Livingstone, Zambia on the REFIT financial model for the benefit of ERB. The ERB staff learned how to operate the model, as well as revise and update data and tariffs without assistance from the Trade Hub in a sustainable way going forward.

By September 2015, the Trade Hub drafted REFIT guidelines and rules, including a standard Power Purchase Agreement and Generation License. The Trade Hub also finalized the pricing model and estimated a

benchmarked tariff for small and medium scale solar energy projects. The Trade Hub and the Zambia Energy Regulation Board joined private sector companies and civil society organizations on September 22, 2015 in Lusaka to mark the final stages in the development of Zambia's Renewable Energy Feed-In Tariff mechanism.

In FY2016, the Trade Hub will continue finalization of REFIT-related documents and provide capacity building to ERB on specific REFIT items such as PPA, REFIT support mechanisms, and the government procurement process.

CAPACITY BUILDING FOR THE RURAL ELECTRIFICATION AUTHORITY (REA) IN ZAMBIA

Over the past two years, the Trade Hub has provided technical assistance to REA to build their capacity to implement the country's Rural Electrification Master Plan and manage innovative approaches that will encourage private sector involvement in delivering rural electrification projects to Zambia. REA's CEO Geoffrey Musonda noted in a meeting with USAID that he appreciated the efficient and demand-driven approach of the Trade Hub to design the training program.

TRAINING ON PROJECT MANAGEMENT TECHNIQUES

During two weeks in April 2015, the Trade Hub trained REA technical staff members on Project Management. The training increased the capacity of REA in project management, contracting, monitoring, and supervision of projects.

The training enhanced the capacity for project management at REA, and the Trade Hub procured and transferred to REA licensed copies of Microsoft Project software to enable the organization to apply the acquired knowledge in practice.

TRAINING FOR REA BOARD

The Trade Hub implemented a two-phase capacity building program for the REA Board consisting of a technical workshop and field visit to Namibia to observe rural electrification practices.



Instructor Michael Ross shows participants in the June training how to apply the RETScreen software tool (www.RETScreen.net), provided by the Trade Hub to REA, for project and proposal evaluation

The two-day workshop for REA Board Members provided high-level training to the REA Board in renewable energy technologies, rural electrification best practices, procurement methods, private sector participation, rural project ownership models, and tariff structures. The exchange to Namibia in May 2015 allowed REA to learn low-cost rural electrification methods not currently employed in Zambia and strengthened ties between the REA and the Namibia Ministry of Mines and Energy.

TRAINING ON PROJECT AND PROPOSAL EVALUATION

During a five-day workshop in June 2015, the Trade Hub trained REA in rural electrification project and proposal evaluation. The participants evaluated the technical and financial viability of the projects, determined their comparative environmental impacts, and discussed risks associated with each option. REA staff benefitted from the new knowledge and experience, as well as from receiving the RETScreen[®] software.

GUIDELINES FOR RURAL ELECTRIFICATION PROJECT FINANCING INCENTIVES

In collaboration with REA, the Trade Hub developed Guidelines for Rural Electrification Project Financing Incentives in Zambia. In the process of the report preparation, the Hub's clean energy experts presented the guidelines to the REA Board during a training in Chisamba. During several reviews, the Trade Hub obtained REA's comments and addressed them in the final report. The Trade Hub submitted the final guidelines to REA in July 2015. The guidelines provide a "roadmap" for the Rural Electricity Authority of Zambia to incentivize and encourage the private sector to invest in rural electrification projects.

RENEWABLE ENERGY AND INDEPENDENT POWER PRODUCER POLICY DEVELOPMENT FOR SWAZILAND

USAID's Southern Africa Trade Hub assisted the government of the Kingdom of Swaziland with the development of a Renewable Energy and Independent Power Producer (IPP) Policy and Strategic Environmental and Social Assessment. The work was done in coordination with Swaziland's Department of Energy under the Ministry of Natural Resources and Energy. The policy is designed to guide and expand the role of the private sector in developing the country's renewable energy sources and to diversify the supply and nature of energy production.



Principal Secretary of the Ministry of Natural Resources and Energy Winnie Stewart addresses the workshop in Swaziland

On June 10, 2015, the Trade Hub presented the Draft Renewable Energy and Independent Power Producers Policy and discussed the Strategic Environmental and Social Assessment of the Policy at the validation workshop in Mbabane, Swaziland. Based on participants' comments, the Trade Hub finalized the policy document and delivered it to the Department of Energy, which confirmed that the workshop provided sufficient endorsement of the draft document.

In September 2015, the Trade Hub presented the Swaziland Renewable Energy and Independent Power Producer Policy to Senators and MPs representing Swaziland's Ministry of Natural Resources and Energy Parliamentary Portfolio Committees of House of Senate and House of Assembly. The presentation was the final stage of an extensive consultation process undertaken by the Trade Hub to develop the policy ahead of its final approval and adoption by cabinet.

Senator Princess Phumelele, Chairperson of the House of Senate Portfolio Committee, expressed sincere gratitude for the way in which the House of Senate and House of Assembly representatives were consulted and the clarity with which the key policy issues were presented, noting both the importance and urgency

associated with getting the policy approved and implemented. An official handover of the policy is scheduled for late 2015.

BUILDING CAPACITY OF THE SWAZILAND ENERGY REGULATORY AGENCY



Handover of the Grid Code from US Ambassador Makila James to Swaziland's Minister of Natural Resources and Energy Jabulile Mashwama

On January 21, 2015 in Mbabane, Swaziland, a formal ceremony was held at the Swaziland Energy Regulatory Authority (SERA) with the Ministry of Natural Resources and Energy to mark the official handover of the National Electricity Grid Code from the Trade Hub.

US Ambassador to Swaziland, Makila James, presented the Grid Code on behalf of the US government to Swaziland's Minister of Natural Resources and Energy, Jabulile Mashwama.

The Trade Hub's technical assistance to SERA enabled the creation of a National Electricity Grid Code for the Electricity Supply Industry in Swaziland, one of the fundamental regulatory instruments

required to support Swaziland's energy sector policy objectives. The Trade Hub also built SERA's capacity to carry out this work in the future. As Ambassador James noted, "the National Electricity Grid Code includes rules for renewable energy producers to connect to the grid. This is critical to attract the investment of the independent power producers in the sector and to open the door for more competition."

WORKING WITH RERA

The Trade Hub continued assisting the Regional Electricity Regulation Association (RERA) in institutionalizing its training program by implementing the first phase of a "train the trainers" program. The goal of this activity is to establish a regional platform for sustainable long-term capacity building for RERA's regulatory agencies' board members, commissioners, and other technical and support staff.

The Trade Hub prepared RERA's Training Needs Assessment Report that has become a foundation for developing the training curriculum. According to RERA's Executive Secretary, this was the first time a training needs assessment was undertaken in an in-depth manner for RERA. The Trade Hub's goal is to support the creation of a sustainable training program that can be managed and administered by RERA or an institutional partner going forward. The curriculum development followed a staged approach, starting with standard courses in foundation training for new staff and moving to include intermediate and advanced training courses to address emerging regulation such as smart grids and renewable energy. The curriculum covers topics such as understanding price controls and competition, managing trade-offs between conflicting policies, and the impact of environmental policies on regulatory decisions.

Following the Training Needs Assessment Report presentation in Namibia and at RERA's Annual Conference in Victoria Falls, Zimbabwe in December 2014, the Trade Hub embarked on the development of the training curriculum for eighteen priority training areas. The curriculum methodology and draft curriculum were presented at RERA's meeting in Malawi in September 2015. The Trade Hub plans to finalize the curriculum development in late 2015.



Enabling Environment

VIII. Enabling Environment

USAID's Southern Africa Trade Hub's activities regarding technical regulations and product standards are guided by the Agreement on Technical Barriers to Trade (TBT) from 1995. According to the World Trade Organization (WTO), the "Agreement on Technical Barriers to Trade tries to ensure that regulations, standards, testing and certification procedures do not create unnecessary obstacles, while also providing members with the right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or the environment."⁶

The Trade Hub partners with the American National Standards Institute (ANSI) to carry out activities in the SADC region under the USAID Partnership for Trade Facilitation (PTF) Standards Alliance program. The Standards Alliance is a public-private partnership between the ANSI and USAID designed to assist developing countries in effectively implementing their commitments under the World Trade Organization Technical Barriers to Trade Agreement.

COLLABORATION WITH SADCSTAN TO REDUCE TECHNICAL BARRIERS TO TRADE

Since October 2013, USAID's Southern Africa Trade Hub has been cooperating with ANSI in implementing approved activities for SADC Cooperation in Standardization (SADCSTAN) and the Lesotho Department of Standards and Quality Assurance (DSQA), Malawi Bureau of Standards (MBS), and the Zambia Bureau of Standards (ZABS) under the PTF Standards Alliance facility.

Another area of support for SADCSTAN was in the area of ISO Technical Committees. From March 30-April 1, 2015, the Trade Hub and ANSI partnered to conduct a three-day workshop on "International Organization for Standardization (ISO) Technical Committees National Mirror Committees" hosted by the Lesotho DSQA in Maseru from March 30-April 1, 2015. During the workshop, participants were taught how to form and operate ISO Technical Committee National Mirror Committees, understand ISO work programs for developing standards, and identify the key players and operations of specific ISO technical committees in order to increase participation in the development and use of international standards.

In FY 2015, the Trade Hub also assisted SADCSTAN by revamping their website (www.sadcstan.co.za). The interactive and user-friendly, social media- integrated website went live in May 2015. The new SADCSTAN website provides periodic updates on developments such as WTO TBT issues and the establishment of National Enquiry Points (NEPs) by other WTO members.

ANSI and the Trade Hub also worked with SADCSTAN on a two-day workshop in Johannesburg, South Africa on June 1-2, 2015, which provided a platform for SADC and US experts on standards and technical regulations to exchange views on Good Regulatory Practices.

ESTABLISHMENT OF NATIONAL ENQUIRY POINTS ON TECHNICAL BARRIERS TO TRADE

WTO members are required to establish TBT NEPs in accordance with article 10.1 of the WTO Agreement. The NEPs help countries to attend to technical regulation enquiries from other WTO members and interested parties in other member states as well as to provide relevant documentation regarding technical regulations, standards, and conformity assessment procedures. By providing trade and standards-related information, the

⁶ http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm

NEP is vital in helping reduce the time and cost of trade by offering a single contact point to which requests for information can be made.

In an effort to encourage fair trade and effective standards and to help the region become more competitiveness, the Trade Hub provided support to launch or re-launch NEPs and Notification Authorities for six countries in the region during FY 2015: Botswana, Lesotho, Malawi, Mozambique, Swaziland, and Zambia.

MALAWI AND LESOTHO LAUNCH NATIONAL ENQUIRY POINTS

Following approximately fourteen months of technical and capacity building assistance on standards under the USAID Partnership for Trade Facilitation (PTF) Standards Alliance facility, the Trade Hub launched WTO Technical Barriers to Trade NEPs for Malawi in Lilongwe and for Lesotho in November 2014.

NEP seminars in two main cities in each country also created stakeholder awareness of the existence and importance of the NEPs. The Trade Hub organized the events in conjunction with the national standards bodies for the respective countries: The Malawi Bureau of Standards and Lesotho's Department of Standards and Quality Assurance.

The technical assistance and capacity building for Malawi and Lesotho included purchasing of essential IT equipment and office furniture for the NEP and training of those responsible for manning the NEP on effectively managing the Enquiry Point, and a five-day benchmarking visit to the US for Enquiry Point officials for Malawi and Lesotho to understand the operations of a functioning NEP.

On December 1, 2014, USAID Southern Africa Mission Director Cheryl Anderson and US Embassy to Lesotho Deputy Chief of Mission Elizabeth Pelletreau visited the Lesotho National Enquiry Point and the country's investment promotion agency, the Lesotho National Development Corporation (LNDC), to familiarize themselves with Trade Hub activities in Lesotho.

The delegation also held a roundtable discussion with LNDC on the Trade Hub's assistance with the development and implementation of the Lesotho Investor Roadmap. The roundtable discussed progress made since 2011 on assisting Lesotho with regulatory reforms to minimize investor roadblocks and improve the investment climate in the country.



USAID Southern Africa Mission Director Cheryl Anderson visits Lesotho's National Enquiry Point

TRADE HUB RE-LAUNCHES NATIONAL ENQUIRY POINT IN ZAMBIA

The Trade Hub re-launched the National Enquiry Point for Zambia in Lusaka in conjunction with the Zambia Bureau of Standards (ZABS) on April 8, 2015, giving traders and other stakeholders an effective “one-stop shop” where they can obtain crucial information on standards, technical regulations, and conformity assessments for doing business locally, regionally and internationally. The Trade Hub purchased IT equipment and office furniture and trained staff to improve the NEP. As part of the support to improve the

effectiveness of the NEP, Enquiry Point officials from Zambia joined officials from Lesotho and Malawi on a five-day benchmarking visit to the United States in January 2015.

Following the re-launch of the NEP, USAID's Southern Africa Trade Hub, in collaboration with ZABS, held an awareness seminar on June 11, 2015, to help the business community and farmer cooperative representatives in and around Livingstone understand the role and functions of the NEP and ZABS.

BOTSWANA AND SWAZILAND DELEGATES PARTICIPATE IN NEP BENCHMARKING MISSION TO KENYA

The Trade Hub organized a benchmarking mission from April 19-25, 2015 for standards officers from the Botswana Bureau of Standards (BOBS) and the Swaziland Standards Authority (SWASA) to the Kenya Bureau of Standards (KEBS) to obtain first-hand experience of the effective operations of a WTO TBT NEP as they work to institute NEPs in their own countries. In addition to the tour of KEBS' various facilities such as testing laboratories and the National Quality Institute, the delegates were able to learn about KEBS' enquiry point management, notification process, data management system, publication of standards, and an overview of the African Regional Organization for Standardization (ARSO).

TRADE HUB LAUNCHES NATIONAL ENQUIRY POINT IN SWAZILAND

On June 23, 2015, the Trade Hub, in collaboration with SWASA, launched an NEP in Matsapha, Swaziland.

In her address at the event, SWASA Executive Director Lomkhosi Mkontha expressed the organization's appreciation for the support received from the Trade Hub in improving the NEP and information center through new equipment and training.

The launch was followed by awareness seminars in Mbabane, Siteki, and Nhlangano aimed at making the business community in these regions aware of the existence of the enquiry point and how they can utilize the service.



Commercial Specialist at the US Embassy in Swaziland Dorothy Mlambo cuts the ribbon to officially open the NEP

TRADE HUB LAUNCHES NATIONAL ENQUIRY POINT IN MOZAMBIQUE

The Southern Africa Trade Hub collaborated with the Instituto Nacional de Normalização e Qualidade/National Institute for Standardization and Quality (INNOQ) to reinvigorate the country's NEP.

Launching the new NEP on August 13, 2015, the event was addressed by USAID Mozambique Mission Director Alex Dickie.



USAID/Mozambique Mission Director Alex Dickie addresses the NEP Launch

The Trade Hub provided new IT and essential office equipment, extensive training, development of promotional materials, and a series of public outreach events that expanded the reach and access of the NEP while reinvigorating its role.

TRADE HUB LAUNCHES NATIONAL ENQUIRY POINT IN BOTSWANA

The Southern Africa Trade Hub launched Botswana's National Enquiry Point in Gaborone on September 28, 2015 in close collaboration with the Botswana Bureau of Standards. As US Ambassador to Botswana Earl Miller said in his address at the event, "Removing trade barriers is an important part of the Trade Hub's work in the SADC region. When resources like the National Enquiry Point help eliminate obstacles in trade flows, they ease the movement of commodities, which keeps costs reasonable for consumers and improves food

security for Botswana's population."



Ambassador Earl Miller and Minister of Trade and Industry Vincent Seretse officially open the National Enquiry Point, housed at the Botswana Bureau of Standards in Gaborone

Botswana's Minister of Trade and Industry Vincent Seretse gave the keynote address at the launch, thanking the US government for its support for Botswana's new National Enquiry Point.

Support from USAID included IT equipment, essential office furniture, a benchmarking visit to Kenya's Bureau of Standards by BOBS officers responsible for manning the enquiry point, and training for NEP officials and other relevant stakeholders.

TRADE HUB BUILDS THE CAPACITY OF WTO NATIONAL CONSULTATIVE COMMITTEES IN SIX SADC COUNTRIES

During August and September 2015, the Southern Africa Trade Hub held workshops in collaboration with the respective national standards bodies in Mozambique, Malawi, Lesotho, Zambia, Botswana, and Swaziland – countries where the Trade Hub has been offering assistance with training and capacity building on standards and NEPs over the past two years.

The Trade Hub helped the six countries establish or reinstate and improve their National TBT Consultative Committees to help improve the effectiveness of the operations of the countries' WTO TBT National Enquiry Point and Notification Authorities. The National TBT Consultative Committee is composed of a diverse set of stakeholders from government (ministries, regulatory agencies, departments) and the private sector (business associations, consumer groups, academia, NGOs). The committee provides a mechanism for consultation and advisory services at the national level and serves to coordinate and oversee the implementation of the WTO TBT Agreement requirements.



The National TBT Consultative Committee Workshop for Botswana was held at the Botswana Bureau of Standards in Gaborone

THE DEVELOPMENT OF STANDARDS RELATED TO PRODUCTS AND SERVICES

ZAMBIA TRAINED ON GOOD STANDARDS PRACTICE AND REFERENCING STANDARDS IN REGULATIONS

USAID's Southern Africa Trade Hub in partnership with ZABS held a three-day workshop on the Code of Good Practice based on Annex 3 of the WTO TBT Agreement in Lusaka, Zambia in December 2014. The three-day event was attended by participants drawn from the government, quasi-government, non-governmental organizations, local authority, and the private sector.

Promoting good standards practices helps Zambia fulfill its social, environmental, and economic policy objectives, improves consistency between standards and enhancing their effectiveness, and ensures that the application of standards results in measurable progress without creating barriers to international trade. Participants developed a list of recommended priorities and possible actions for implementation by ZABS.

Also under the USAID PTF support, the Trade Hub in partnership with ZABS held two-day trainings in June 2015 on Guidelines on Referencing Standards in Technical Regulations in Lusaka, Zambia. Participants

discussed the current regulatory environment, regulatory best practices, methods of using standards in technical regulations, conformity assessments in technical regulations, and effectiveness of regulations in order to promote trade. Specific needs for Zambia were analyzed, including the need to align regulation and improve standards development.

STANDARDS WRITING WORKSHOPS IN MALAWI AND LESOTHO

The Trade Hub held a two-day training session on “Writing of Standards for Standards Technical Committee Chairpersons and Secretaries” in Blantyre, Malawi, from March 4-5, 2015 in partnership with the Malawi Bureau of Standards (MBS).

The workshop trained participants on the roles and responsibilities to manage technical committees effectively during standards writing, among other things. A similar workshop was held for Lesotho in Maseru from March 9-10, 2015.

The training came at an opportune time for Lesotho since the country is in the process of setting up technical committees to develop their own national standards.

The training also followed the passage of legislation in July 2014 that established a National Standards Body (NSB) for the country. The Trade Hub helped Lesotho develop a strategy and implementation plan for the NSB and assisted in the drafting of Lesotho’s National Quality and Food Safety Policies, all of which are critical to the successful establishment of the NSB.



The workshop in Maseru was held in partnership with the Lesotho Department of Standards & Quality Assurance (DSQA) and was facilitated by standards expert Dr. Mukayi Musarurwa

TRADE HUB ATTENDS SADC TECHNICAL BARRIERS TO TRADE ANNUAL MEETING

From March 16-20, 2015, the Trade Hub attended the 30th Annual Meetings of the SADC TBT Cooperation Structures in Kinshasa, DRC. The objective of the SADC TBT Cooperation Structures is to promote quality infrastructure in SADC Member States to gradually eliminate technical barriers to trade in the region.

During the event, a draft agenda for a workshop on Good Regulatory Practices was proposed by the Trade Hub and agreed upon with SADCSTAN, the SADC Technical Regulations Liaison Committee, and the SADC TBT Stakeholders Committee. The Trade Hub hosted the workshop on June 1-2, 2015 in South Africa in partnership with ANSI and in collaboration with SADCSTAN and SADCTRLC. The Trade Hub also used the opportunity to update the members of the SADC TBT Cooperation Structures on the progress regarding ongoing Trade Hub assistance on standards.

TRADE HUB PRESENTS AT THE SADC EXPERT GROUP MEETING ON QUALITY INFRASTRUCTURE PROJECTS AND INITIATIVES

From April 28-29, 2015, the Trade Hub presented at the SADC Expert Group meeting on Quality Infrastructure Projects and Initiatives in SADC in Gaborone, Botswana. The Trade Hub presented an overview of the project and its objectives, outcomes, and work programs as well as lessons learned from technical cooperation activities in the SADC region.

The invitation to participate at this event was an endorsement of the Trade Hub's increasingly important role in Standardization, Quality Assurance, Accreditation and Metrology (SQAM) activities in the region and the continued strengthening of the relationship between the Trade Hub and the SADC Secretariat. The inputs from the two-day meeting will assist SADC Member States in the development of an inclusive and sustainable quality infrastructure strategy to support industrial development.

IMPROVING THE EFFECTIVENESS OF SWASA

In FY 2015, the Trade Hub conducted a needs assessment on the standards and technical regulations activities of the Swaziland Standards Authority (SWASA) in order to agree on areas where technical assistance from the Trade Hub will aid SWASA's efforts to develop market-relevant standards and increase uptake of standards, opening up trade opportunities and ensuring the safety of both imported and domestic products. The following needs were agreed upon to:

- Improve the effectiveness of Swaziland's NEP, followed by an awareness program;
- Train and support technical committee chairs and secretaries to manage meetings and galvanize participation in standards development in Swaziland; and
- Improve stakeholder consultation and engagement, promoting a positive working relationship between government and private sector interests, both of whom have vital roles to play in the development of standards.

The Trade Hub, in partnership with SWASA, supported a Chief Executive Officers' Breakfast Meeting on April 29, 2015 in Ezulwini, Swaziland. The purpose of the meeting was to sensitize CEOs on the need to adopt and use standards in their businesses, to update them on the future of standards in Swaziland and their responsibility to SWASA, and to create awareness on standards, from identification to eventual certification of businesses since the success of standardization is dependent on full engagement with industry. The event was attended by CEOs from a wide variety of industries, as well as the Principal Secretary of the Ministry of Commerce, Industry and Trade.



The three-day training on Good Standardization Practice drew participants from the private sector, tertiary education institutions, parastatals like SWASA, and government departments

On June 1-3, 2015, the Trade Hub held a training on Good Standardization Practice in collaboration with SWASA in Swaziland to provide guidance in establishing, documenting, and putting into practice standards development procedures. On June 17, 2015, the Trade Hub in partnership with SWASA supported a High Schools Symposium on Standards at the Mavuso Trade Centre in Manzini, Swaziland. The one-day symposium created awareness of the importance of standards; introducing students to standards issues at an

early age helps influence the implementation of standards and the standards development process in Swaziland.

BOTSWANA TRAINED ON GOOD STANDARDIZATION PRACTICE AND REFERENCING STANDARDS IN TECHNICAL REGULATIONS

USAID's Southern Africa Trade Hub, in partnership with the Botswana Bureau of Standards (BOBS), organized two training workshops at BOBS' offices in Gaborone: the first on Code of Good Practice for standards writing technical committee chairpersons and secretaries, and the second on Referencing Standards in Regulations for standards and technical regulations developers.



Keolebogile Segomelo, BOBS Director of Standards, addressing participants at the workshop

In addition to examining best practices and techniques for developing standards, the workshop on

Code of Good Practice provided guidance in establishing, documenting, and putting into practice standards development procedures in compliance with Annex 3 of the WTO TBT Agreement. Participants discussed key principles such as stakeholder engagement, consensus, transparency, impartiality and due process in the standards development process.

The two-day workshop on Referencing Standards in Technical Regulations discussed the current regulatory environment, regulatory best practices, methods of using standards in technical regulations, conformity assessments in technical regulations and effectiveness of regulations in order to promote trade.

TRADE HUB TRAINS AUDITORS ON HEALTH, SAFETY, AND ENERGY MANAGEMENT SYSTEMS IN MOZAMBIQUE

The Trade Hub conducted two five-day certified lead auditor trainings for Mozambique's national standards body, INNOQ, in order to support INNOQ and build the capacity of its staff. The subject of training was the Occupational Health and Safety (OHSAS) Management System (based on OHSAS 18001) and the Energy Management System (EnMS) (based on ISO 50001). The training was designed to allow participants to acquire and/or enhance their competency to audit OHSAS and EnMS. Following this training, participants will be able to audit the implementation of these two management systems by companies in Mozambique and will also be able to train other auditors in Mozambique and in the region, particularly in Portuguese-speaking countries.

GOOD STANDARDIZATION PRACTICES WORKSHOP IN MOZAMBIQUE WITH INNOQ

The Trade Hub, in partnership with INNOQ, held a workshop on Good Standardization Practices in Maputo from May 5-7, 2015. The three-day event drew participants from the government of Mozambique and the

private sector. In addition to examining best practices and techniques for developing standards, the workshop provided guidance in establishing, documenting, and implementing standards development procedures in compliance with Annex 3 of the WTO TBT Agreement. This ensures consistency, maintains quality as an alternative to mandatory legislated standards, and can be based on self-assessment or benchmarking.

TRADE HUB HOLDS SQAM ACTIVITIES AWARENESS SEMINARS IN ZAMBIA

From June 8-9, 2015, the Trade Hub in partnership with ZABS held two workshops to create awareness on SQAM activities in Lusaka, Zambia. The objective of the workshops was to help improve the standards development process in Zambia by increasing private sector participation in the standards making process.

The first workshop focused on tertiary education, bringing together tertiary education players to discuss contributions of SQAM and the importance of human resource knowledge of SQAM. The second workshop focused on women in business, under the Zambia Federation of Associations of Women in Business, an umbrella federation of women in business associations. The primary objective of the workshop was to sensitize women in business on SQAM matters, discuss how they can become involved in standards development, and have their products certified.

TRADE HUB SUPPORTS SADC QUALITY AWARDS INITIATIVE

Following a request from the SADC Secretariat, USAID's Southern Africa Trade Hub supported the SADC Annual Quality Awards Training Workshop held in Johannesburg, South Africa from September 23-24, 2015. The objective of the two-day workshop was to review five years of implementation, share experiences, and improve the selection process.



Workshop participants represented national standard bodies, government departments, past award winners, and judges

The SADC Annual Quality Award Competition is one of the ways SADC promotes the use of standards and quality tools in the region. Companies are recognized for having robust quality management systems that have demonstrably contributed to the growth of their businesses. As part of the efforts to enhance the standards development process and private sector involvement in standards development, the Trade Hub has over the past two years been facilitating National Quality Awards Competitions in select SADC countries. Winners in the National Quality Awards automatically become eligible to enter the regional level competition. The next SADC Annual Quality Awards will be hosted by Lesotho in March 2016.

INVESTOR ROADMAPS

TRADE HUB AUDITS IMPLEMENTATION OF THE INVESTOR ROADMAP (IRM) IN SWAZILAND

From May 11-15, 2015, the Trade Hub, in partnership with the Swaziland Investor Roadmap Unit conducted an investor roadmap audit covering government departments and the private sector. The Investor Roadmap, developed in 2005 by USAID, is a tool to help improve a country's investment climate with regulatory, legislative, and procedural reforms; the Trade Hub last conducted a similar audit in 2013.

Key reform issues discussed during the audit and workshop included company registration, immigration reform, trading across borders, land issues, mining procedures, and delays in issuing health inspection licenses.

The government of Swaziland has made progress in addressing IRM issues: according to the World Bank Ease of Doing Business 2015 report, Swaziland moved 13 places up the annual rankings from 123 (in 2014) to 110 and is now ranked eighth in Africa. The Trade Hub thus assisted Swaziland to develop an Investment Climate Reform Communications Strategy to highlight the progress made at both national and international levels.

TRADE HUB AUDITS IMPLEMENTATION OF THE INVESTOR ROADMAP IN LESOTHO

The Trade Hub in partnership with LNDC conducted an IRM audit in Lesotho from May 18-22, 2015, to identify gaps to be addressed.

The Trade Hub developed the IRM for Lesotho in 2012, making 51 recommendations on areas the country needed to address.

Key reform issues discussed during the audit and workshop included company registration, immigration reform, trading across borders, land issues, and mining procedures. The validation workshop was designed to review preliminary audit findings and to secure buy-in from both public and private sectors on the resolution of outstanding issues and the way forward. The results fed into the Investment Climate Reform Communications Strategy developed by the Trade Hub to help communicate Lesotho's progress on its IRM goals to implementers, the private sector, and other intended beneficiaries.



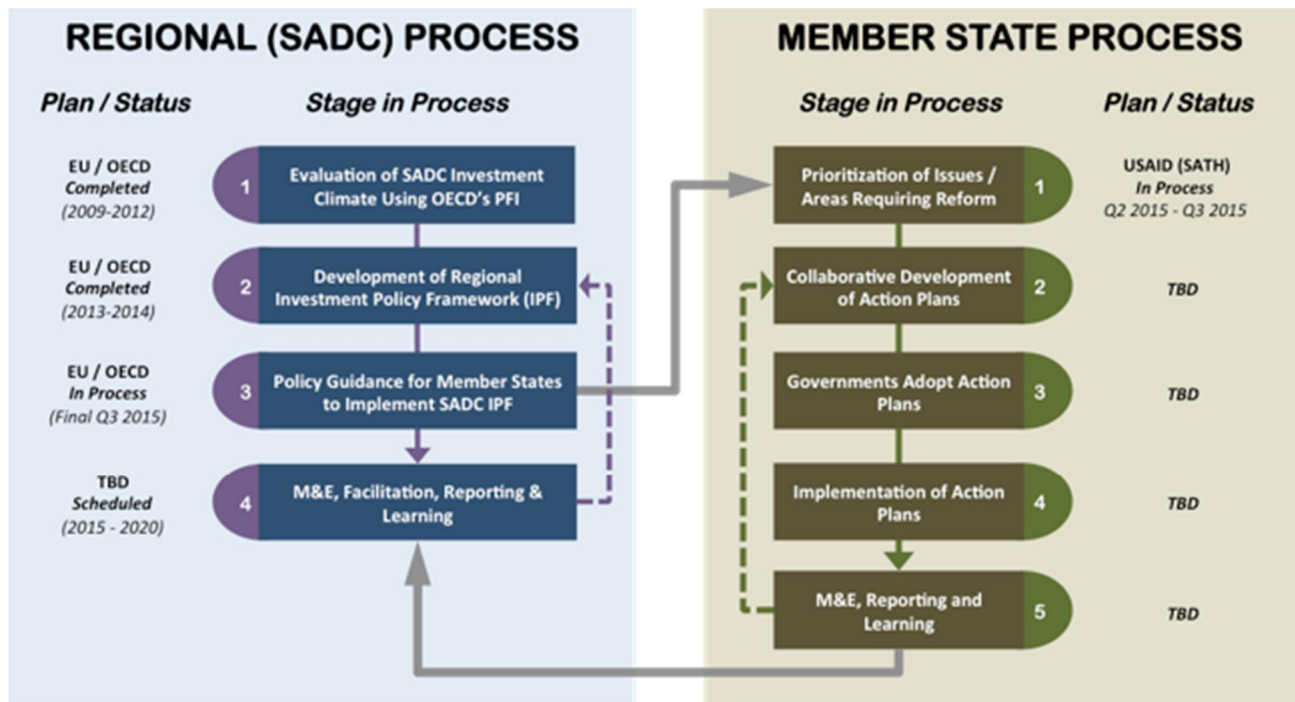
Lesotho's Minister of Trade and Industry Joshua Setipa thanked USAID for its continued support to Lesotho for this and other programs through the Southern Africa Trade Hub

Following the audit of the Lesotho IRM, the Trade Hub met with the Lesotho Minister of Economic Affairs in the Prime Minister's Office, Kimetso Mathaba on May 22, 2015 to update the Minister on progress on implementation of the IRM for Lesotho. Minister Mathaba appreciated USAID's assistance in this and other activities in Lesotho and highlighted that his government realizes the importance of having a business-friendly investment climate and supported the initiative that a subcommittee will be established at the Cabinet level to ensure effective implementation of required investment climate reforms.

TRADE HUB COLLABORATES WITH SADC SECRETARIAT ON DEVELOPMENT OF INVESTOR ROADMAPS FOR SADC MEMBER STATES

The SADC Secretariat, in cooperation with the Organisation for Economic Cooperation and Development (OECD) and the EU through the Regional Economic Integration Support (REIS) Program, has been working for the last five years to develop a SADC Investment Policy Framework (IPF) using the OECD Policy Framework for Investment.

In order to complement the ongoing efforts and activities of the REIS Program and the overall SADC IPF initiative, the SADC Secretariat requested support from USAID through the Trade Hub to develop Investor Roadmaps for SADC Member States that had not previously gone through an investor roadmap exercise



The graphic demonstrates how SADC's development of a regional investment policy framework will now lead to the formulation of national action programs for each member state

The Trade Hub participated in the 6th SADC Investment Focus Group organized with support from OECD held in Johannesburg on July 22-23, 2015. Representatives from SADC Member States attended the workshop. The Trade Hub delivered presentations on its experience working with Lesotho and Swaziland in developing and implementing Investor Roadmaps.

Work has since started, and phase one development of the NAPIs for the first SADC Member States is expected to be complete by the end of November 2015.

AGOA ACTIVITIES

AGOA AT 15 FORUM

From August 24-27, 2015, the government of Gabon and the United States co-hosted the 2015 AGOA Forum in Libreville, under the theme "AGOA at 15: Charting a Course for a Sustainable U.S.-Africa Trade and Investment Partnership."

The Trade Hub attended the AGOA Forum and made a presentation during the Doing Business Under AGOA portion of the Civil Society and African Women Entrepreneurs Program (AWEP) session. Bilateral meetings with other participants from Southern Africa (Botswana, Lesotho, Malawi, South Africa, and Zambia) were held as well as with institutions engaged with AGOA-related initiatives: The African Development Bank (AfDB) and the UN Economic Commission for Africa (UNECA). Discussions centered on the trade requirements under AGOA reauthorization and the need for beneficiary countries to each have an AGOA Utilization Strategy filed with the US Trade Representative (USTR).

AGOA UTILIZATION STRATEGY NEEDED FOR BOTSWANA

On September 17, 2015, USAID's Southern Africa Trade Hub held a meeting with the Botswana Trade and Investment Centre (BITC) and the Ministry of Trade and Industry to follow up on meetings held during the 14th AGOA Forum.

The AGOA Extension and Enhancement Act (2015) specifies that beneficiary countries should have AGOA Utilization Strategies that will be made public and shared with USTR.

COLLABORATION WITH SADC SECRETARIAT AND OTHER INTERNATIONAL COOPERATING PARTNERS



Meeting with BITC and the Ministry of Trade and Industry

TRADE HUB HOSTS THE SADC TIFI THEMATIC GROUP CLUSTER MEETING IN BOTSWANA

On September 9, 2015, the Trade Hub hosted a meeting by Cluster 1 of the SADC Trade, Industry, Finance and Investment (TIFI) Thematic Group at the Trade Hub offices in Gaborone. Cluster 1, which consists of Trade and Customs, is chaired by Evans Chinembiri, USAID Southern Africa Trade Facilitation Activity Manager and Acting COR in the presence of USAID's Southern Africa Regional Trade Specialist Paul Pleva.



Members of the International Cooperating Partners Thematic Group on Trade and Customs during their meeting at the Trade Hub on September 9, 2015

Meetings are held periodically to provide Cluster members with an opportunity to discuss progress on activities they are implementing in the SADC region. The meeting also served as preparation for a report by the Cluster chair to a SADC TIFI Thematic Group meeting with all the International Cooperating Partners (ICPs), which was held at SADC on September 10, 2015.

The SADC TIFI Thematic Group meeting is a platform for the SADC TIFI Directorate and ICPs to update each other on the progress of implementation in identified priority areas. This helps avoid duplication of

effort, ensures effective implementation, and aids in the monitoring and evaluation of the programs. Trade Hub COR Paul Pleva and Regional Trade Specialist attended both meetings.

TRADE HUB PRESENTS AT TRADE SUBCOMMITTEE TO ENHANCE DONOR COORDINATION IN MOZAMBIQUE

During the week of August 17, 2015, the Trade Hub presented at the inaugural Trade Subcommittee co-hosted by USAID and the EU in Maputo at the USAID Mozambique Mission. Representatives from United Nations Industrial Development Organization (UNIDO), Gesellschaft für Internationale Zusammenarbeit (GIZ), INNOQ, and United Nations Development Program (UNDP) attended the meeting.

The Trade Hub delivered a presentation on the overall impact of the USAID regional program with focus on work in-country with USAID's partners from INNOQ. The meeting followed closely on the heels of the launch of the NEP by INNOQ and the Trade Hub on August 13, 2015. UNIDO and GIZ are large financial and technical assistance supporters of INNOQ, and an important purpose of the meeting was to coordinate future donor activities with INNOQ to ensure maximum impact of the assistance programs and to avoid duplication of activities.

TRADE HUB APPOINTED TO TWO SADC-EU STEERING COMMITTEES

On September 17, 2015, USAID's Southern Africa Trade Hub participated in the SADC Regional Economic Integration Support Programme (REIS) and SADC Trade Related Facility (TRF) Steering Committee meetings in Gaborone, Botswana. The role of the steering committees is to evaluate and recommend applications from Member States for support under the two programs. The steering committees also create a unique platform for International Cooperating Partners to share program information and experience, improve cooperation, and avoid duplication of effort. The invitation to be part of the two steering committees underscores the leading role USAID's Southern Africa Trade Hub plays in supporting the SADC trade integration agenda.

The REIS Programme promotes investment in SADC by supporting measures aimed at improving the investment climate and the business environment in the region. The SADC TRF is a mechanism for financial and technical support to assist SADC Member States to implement commitments made under the SADC Protocol on Trade and the Economic Partnership Agreement between the EU and the SADC Economic Partnership Agreement Group consisting of 10 SADC Member States.

GENDER INTEGRATION

TRADE HUB INTEGRATES GENDER INTO ITS PROGRAM OF ACTIVITIES

In line with its drive to integrate gender in all Trade Hub processes, practices, and partnership activities, the Trade Hub conducted three days of gender integration training for all Trade Hub personnel in Gaborone, Botswana in October 2014.

Also in October 2014, the Trade Hub's gender specialists visited the Hub offices in Gaborone, Botswana to lead planning on integrating gender considerations into the FY 2015 project activities. The Trade Hub technical teams reviewed FY2014 gender integration planning, activities, and results as well as the FY 2015 work plan to identify possible gender gaps and constraints. All Trade Hub technical teams identified clear gender activities for implementation of the additional gender integration activities during the life of the project.

HIGHLIGHTING THE ROLE OF WOMEN IN RENEWABLE ENERGY POLICY

The Trade Hub is working to promote the participation of women in its Renewable Energy Feed-in Tariff (REFIT) work in Zambia and Swaziland. In March 2015, the Trade Hub gave a presentation on the role of women in renewable energy at the Zambia REFIT Workshop. In June 2015, the Trade Hub presented on integrating gender into the Swaziland Renewable Energy and Independent Power Producer Policy at the policy validation workshop. The Swaziland Gender Consultant is also developing a chapter on gender in the Renewable Energy and Independent Power Producer Policy and will incorporate gender considerations throughout the document. Using findings from policy workshops, desk review research, and meetings with a range of stakeholders, the Trade Hub work will produce a brief on women's role in renewable energy sector in Southern Africa and suggest opportunities for greater gender integration within renewable energy policy, planning, and implementation.

GENDER INTEGRATION INTO THE GROUNDNUT AND SOY VALUE CHAINS IN MOZAMBIQUE

The Trade Hub carried out a gender analysis to review the results of Strategic Partnership Grant Solidaridad's gender integration program and identify measurable gender integration/impact interventions that can be made from March 30 - April 3, 2015 in Mozambique.

From April 23-24, 2015, the Trade Hub sponsored a training session in Chimoio, Mozambique, for field extension workers on gender integration in the soy and groundnut value chains to improve crop quality.

As part of the training, participants created individual gender action plans, which included clear gender-related objectives, activities, time frame, and indicators. Once trained, the ten extension workers will train farmer leaders in the region. The farmer leaders will in turn be responsible for training other farmer.



Seminar participants from Pemba, a port city located in Mozambique's northernmost province bordering Tanzania

From May 4-7, 2015, a four-day Gender Training Workshop was held in Chimoio and attended by leader farmers and seed multipliers from four districts in Manica Province. The training promoted the use of gender sensitive and participatory approaches in the implementation of the Strategic Partnership Grant activities in the soy and groundnut value chains to improve food security and achieve sustainable and equitable development. Training participants developed a district gender action plan for 2015 with clear gender-related objectives, activities, and time frame.

GENDER ANIMATION AND MOBILIZATION TRAINING FOR FARMERS IN CHIMOIO AND CATANDICA, MOZAMBIQUE

From July 22-25, 2015, the Southern Africa Trade Hub conducted a Gender Animation and Mobilization Training Workshop for a large number of farmers and producers involved in the soy and groundnut value chains in Chimoio, Mozambique. The objective of the workshop was to build the capacity of participants on gender and gender analysis using gender animation methodology. The workshop also provided participants

with practical tools to act as gender “champions” in their communities to address key gender issues and overcome constraints.

The training employed creative methodologies including drama, dancing, and group interplay to demonstrate common scenarios embodying gender inequality.

Participants made commitments to be community gender champions and developed individual action plans detailing how they planned to fulfill their commitment.

In order to change local attitudes and overcome constraints regarding gender roles, the participants pledged to use their gender training in their families, communities, farmers’ associations, and beyond to teach and raise awareness about the importance of gender equality.



Participants make a presentation during gender training in Chimoio, Mozambique

A similar training session was held in Catandica from August 5-7, 2015. The workshop was a follow-up to previous gender equality integration efforts by the Trade Hub in the agricultural value chains and was attended by representatives of farmer groups and community-based organizations.

INTEGRATING GENDER INTO GRANT IMPLEMENTATION IN MALAWI

As part of ongoing work to promote gender integration in the implementation of its Strategic Partnership Grants, the Trade Hub carried out a gender analysis at MH Boerdery/NASFAM at the end of April 2015. The Trade Hub undertook focus group discussions with over 100 female and male smallholder groundnut farmers, and extension workers from both the Ministry of Agriculture and NASFAM in Mchinji, and Lilongwe North and South Districts.

During May 2015, the Trade Hub conducted gender integration training courses for NASFAM staff and another for groundnut farmers working with NASFAM. The objective of the training was to reinforce the importance of gender in farming as a business and to establish the link between gender analysis and aflatoxin management in the groundnut value chain. Training for NASFAM staff introduced them to a set of structured skills they can use to integrate gender considerations into implementation of the Trade Hub grant.

PERSUASIVE COMMUNICATION TRAINING FOR WOMEN ENTREPRENEURS IN BOTSWANA AND ZAMBIA

USAID’s Southern African Trade Hub held a Persuasive Communication and Negotiation training for women business owners and entrepreneurs in Gaborone, Botswana from August 13-14, 2015 and a two-day workshop for the African Women’s Entrepreneurship Program (AWEP) in Lusaka from August 18-19. The workshop was developed in collaboration with renowned persuasive communications expert Dr. Barbara Tannenbaum, whose clients include Microsoft, Google, and high profile American politicians.

The training incorporated results of a Trade Hub gender analysis and was tailored to address the specific needs, constraints, concerns, and opportunities experienced by women business owners and entrepreneurs in Southern Africa.

In preparation for the training, in July and early August 2015, the Trade Hub conducted a detailed literature review and participatory analysis with members of the Botswana Women in Business Association (WIBA) and AWEF.

The resulting innovative new course featured modules on impact and delivery styles, visual and verbal presentation, goal and audience, confidence, negotiation, persuasion, credibility, and trust, as well as discussions on how

culture and gender influence communication. Women business owners and entrepreneurs from a variety of business sectors attended including agribusiness and farming, textiles, crafts, mining and machinery.



Women entrepreneurs discussed issues uniquely faced by women in business in Botswana and gained skills to help their enterprises grow

IX. ISSUES, CHALLENGES, AND LESSONS

Most Trade Hub initiatives involve policy, regulatory, organizational and systemic change, extensive consultation and stakeholder relationship management, change management, and capacity building.

These are complex issues that require skillful, patient handling as well as significant time and effort. Most of the initiatives in all the indicative result areas encompass several public and private sector agencies and stakeholders. Progress depends mainly on the ownership, commitment, capacity and actions of the partners and agencies that the Trade Hub is supporting, since they must make the decisions, manage the processes and commit their own resources to achieve desired outcomes.

During the course of implementation, Trade Hub staff has become aware of the factors that make the difference between success and slow progress or failure. As a result:

- The Trade Hub must base work plans and interventions on reliable assumptions that reflect the needs and will of partners and align with their planning, budgeting and operating cycles;
- For all planned technical assistance, there must be counterparts in the partner organizations to work with the experts and to take ownership of the solutions;
- All statements of work to deliver technical assistance should be cleared and signed off by the recipient organization or unit and reflect an agreed action plan, with roles, responsibilities, and deliverables clearly laid out on a timeline;
- Where feasible, the Trade Hub should appoint country-based representatives to provide close ground support and follow-up, and to better maintain close stakeholder relations;
- The team must understand the business culture and decision-making processes in all countries;
- The team should identify key stakeholders and influential players and cultivate a close working relationship with these individuals as the internal champions to drive processes and decisions; and,
- Where the Trade Hub is introducing new concepts and tools that require high-level decisions with policy, regulatory, innovative partnership, and financial arrangements, the team must be adept at:
 - Providing complete and balanced information to enable them to fully understand the choices and make informed decisions; and,
 - Understanding capacity constraints and providing solutions to address these to underpin implementation and sustainability.

X. ANNEXES

ANNEX A – PROJECT MANAGEMENT PLAN INDICATOR TABLE

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	
1.1-21	ACTE ⁷	Reduction in the number of days (time) required to trade good across borders and along corridors as a result of Trade Hub assistance															
		Malawi															
		Mwanza															
		Export	4hrs 45mins ⁸	0	0	4hrs 30mins	3hrs 24mins	4hrs 16mins	3hrs 50mins					1hr 7mins	4hrs 2mins	1hr 7mins	507%
		Import	7hrs 12mins	0	0	6hrs 50mins	10hrs 39mins	6hrs 28mins	5hrs 4mins					14hrs 41mins	6hrs 7mins	14hrs 41mins	-690% ⁹
		Songwe															
		Export	4hrs 49mins	0	0	4hrs 34mins	6hrs 18mins	4hrs 20mins	2hrs 22mins					56mins	4hrs 5mins	56mins	530%
		Import	15hrs 29mins	0	0	14hrs 42mins	23hrs 22mins	13hrs 56mins	6hrs 42mins					12hrs 53mins	13hrs 9mins	12hrs 53mins	111%
		Zambia															
		Kasumbalesa															
		Export	24hrs	0	0	22hrs	11hrs	21hrs	11hrs				12hrs	12hrs	20hrs	12hrs	332%

⁷ For section 1.1-21 the % reached was calculated by dividing the time reduction from the baseline to YR 5actual by the time reduction from the baseline to the target time.

⁸ A lower number indicates an improvement.

⁹ This figure was a result of a newly introduced centralized clearance system with lengthy downtimes as well as power disruptions.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	
			7mins			54mins	32	42mins	32mins				3mins	3mins	29mins	3mins	
		Import	5hrs 40mins	0	0	5hrs 23mins	5hrs 11mins	5hrs 6mins	5hrs 11mins				5hrs 4mins	5hrs 4mins	4hrs 49mins	5hrs 4mins	71%
		Nakonde															
		Export	30hrs 14mins	0	0	28hrs 43mins	17hrs 23mins	27hrs 12mins	17hrs 12mins					20hrs 44mins	25hrs 41mins	20hrs 44mins	209%
		Import	44hrs 38mins	0	0	42hrs 24mins	43hrs	40hrs 10mins	41hrs 59mins					42hrs 42mins	37hrs 56mins	42hrs 42mins	29%
1.2-6	FTF	Numbers of Policies/ Regulations/ Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: Stage 1: Analyzed Stage 2: Drafted and presented for public/stakeholder consultation Stage 3: Presented for legislation/decreed Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	0	N/A	N/A	N/A	N/A	4	4	2	3	15	200	201 ¹⁰	21	208	990%
		Sector															
		Inputs						0	0	0	0	0	0	0			
		Outputs						0	0	0	0	0	0	0			
		Macroeconomic						2	0	0	0	9	200	201			
		Agricultural sector-wide						0	0	0	0	2	0	0			
		Research, extension, information, and other public service						2	4	2	3	0	0	0			

¹⁰ 200 pieces of legislation were reviewed for compliance with the National Single Windows being developed for Botswana, Malawi and Namibia.

ID		Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
	Initiative			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
		<i>Food security/vulnerable</i>						0	0	0	0	4	0	0			
		<i>Climate change adaptation or natural resource management (NRM) (ag-related)</i>						0	0	0	0	0	0	0			
		<i>Stages of development</i>															
		<i>Stage 1 of 5</i>						2	0	0	0	6	200	201			
		<i>Number of policies / regulations / administrative procedures analyzed</i>															
		<i>Stage 2 of 5</i>						2	0	1	2	3	0	0			
		<i>Number of policies / regulations / administrative procedures drafted and presented for public/stakeholder consultation</i>															
		<i>Stage 3 of 5</i>						0	0	0	0	3	0	0			
		<i>Number of policies / regulations / administrative procedures presented for legislation/decreed</i>															
		<i>Stage 4 of 5 Number of policies / regulations / administrative procedures prepared with USG assistance passed/approved</i>						0	3	1	1	3	0	0			
		<i>Stage 5 of 5</i>						0	1	0	0	0	0	0			
		<i>Number of policies / regulations / administrative procedures passed for which implementation has begun</i>															

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
1.2-2	FTF	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	0	N/A	N/A	N/A	N/A	615	390	2000	1876	2970	7266	8030 ¹¹	5585	10296	184%
		<i>Type of individual</i>															
		<i>Producers</i>						123	49	1000	1620	2650	7207	7762			
		<i>People in government</i>						0	119	50	11	40	8	48			
		<i>People in private sector firms</i>						492	191	900	219	280	45	202			
		<i>People in civil society</i>						0	31	50	26	0	6	18			
		<i>Sex</i>															
		<i>Male</i>						492	276	1500	1425	1780	4430	4903			
		<i>Female</i>						123	114	500	451	1190	2836	3127			
1.2-3	FTF	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	0	4	5	10	24	73	169	220	158	152	62	180	459	536	117%
		<i>Type of organization</i>															
		<i>Private enterprises (for profit)</i>						59			132	125	9	108			

¹¹ The Trade Hub implemented grant projects that targeted training of a large number of smallholder farmers. Aflatoxin management training was also rolled out to a many smallholder farmers in Mozambique and Malawi. This number is expected to increase further as the Trade Hub processes supporting documents for training programs under the Boerdery/NASFAM and the Zhauns/Lumuno grant projects.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	
should		Producers organizations						5			15	22	53	64			
		Water users associations						0			0	0	0	0			
		Women's groups						3			2	0	0	0			
		Trade and business associations						3			5	4	0	4			
		Community-based organizations (CBOs)						3			4	1	0	4			
		New/Continuing															
		New						55			132	140	62	145			
		Continuing						18			26	12	0	35			
1.2-4	FTF	Number of members of producer organizations and community based organizations receiving USG assistance	0	N/A	N/A	N/A	N/A	N/A	627689	600000	609320	607000 ¹²	164000	770000	607000	798289 ¹³	132%
		Type of organization															
		Producer organization							624852		600000	607000	164000	770000			
		Non-producer-organization CBO							2837		9320	0	0	0			
		Sex															
		Male															
		Female															

¹² Based mainly on members ZNFU (who organized the Agri-Expo in partnership with Spintelligent) and NASFAM (who is facilitating increased groundnut production and processing in partnership with MK Boerdery).

¹³ The project total does not cumulate totals from year to year but from assisted organization to another. Each organization's membership is reported for each implementation year the organization is assisted but the membership is counted once in the project total to avoid duplication.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
1.2-5	FTF	Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance	0	N/A	N/A	5	4	51	34	100	102	195	0	28	351	168	48% ¹⁴
		Type of organization															
		Private enterprises (for profit)					4	45	25	67	78	157	0	7			
		Producers organizations					0	2	9	30	21	33	0	19			
		Water users associations					0	0	0	0	0	0	0	0			
		Women's groups					0	0	0	0	0	0	0	0			
		Trade and business associations					0	4	0	3	3	4	0	2			
		Community-based organizations (CBOs)					0	0	0	0	0	1	0	0			
		New/Continuing															
		New							34			181	0	28			
		Continuing							0			14	0	0			
1.2-22	FTF	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	0	N/A	N/A	N/A	N/A	N/A	N/A	1200	1269	2550	5991	5991	3750	7260	194% ¹⁵
		New/Continuing															

¹⁴ In 2015 Interventions on technology transfer focused more on smallholder farmers than on organizations.

¹⁵ In 2015 interventions on technology transfer focused more on smallholder farmers, hence this number is quite high.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	
		<i>New</i>								1200	1269	2550	5991	5991			
		<i>Continuing</i>								0	0	0	0	0			
		<i>Sex</i>															
		<i>Male</i>										1500	0	0			
		<i>Female</i>										1050	0	0			
1.2-8	FTF	Total increase in installed storage capacity (m³)	0	N/A	N/A	0	0	42000m ₃	42000m ₃	22400m ₃	0	10000m ₃	0	19600m³	74400m³	61600m ₃	83% ¹⁶
		<i>Type of storage</i>															
		<i>Dry storage</i>						42000	42000	22400	0	10000	0	19600			
		<i>Cold storage</i>						0	0	0	0	0	0	0			
1.2-9	FTF	Value of Agricultural and Rural Loans	\$0	N/A	N/A	N/A	N/A	\$600,000	\$2000876	\$2.738m	\$4821534	\$600,000	0	0	\$3,938,000	\$6,822,410	173%
		<i>Type of loan recipient</i>															
		<i>Producers</i>							0	800000	\$934744	\$50000	0	0			
		<i>Local traders/ assemblers</i>							\$200876	50000	\$319144	\$100000	0	0			
		<i>Wholesalers/ processors</i>							\$1800000	\$1888000	\$3567645.97	\$450000	0	0			
		<i>Others</i>							0	0	0	0	0	0			
		<i>Sex of recipient</i>															

¹⁶ This number will increase in the next few months as new storage units are still being constructed under the Boerdery/NASFAM grant.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
		<i>Male</i>											0	0			
		<i>Female</i>											0	0			
		<i>Joint</i>											0	0			
1.2-10	FTF	Number of public-private partnerships formed as a result of FTF assistance		N/A	N/A	N/A	N/A	15	12	10	7	14	10	17	39	36	92%
		<i>Partnership focus</i>															
		<i>Agricultural production</i>						13	4	5	2	3	4	5			
		<i>Agricultural post-harvest transformation</i>						2	5	5	3	5	3	7			
		<i>Nutrition</i>						0	0	0	0	1	1	1			
		<i>Multi-focus</i>						0	0	0	0	1	0	0			
		<i>Other</i>						0	3	0	2	4	2	4			
1.2-11	FTF	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	\$0	N/A	N/A	N/A	N/A	\$540,000	\$2,464,950	\$2m	\$661,390	\$21,810,400 ¹⁷	\$2,332,557	\$2,568,457	\$24,350,400	\$5,694,797	23% ¹⁸
1.2-12	FTF	New technologies or management practices under the following phases of development (Phase I/II/III) ¹⁹	0	N/A	N/A	0	0	10	12	17	11	20	0	0	47	23	49%
		Phases of development															
		<i>Phase 1 Number of new technologies or management practices under research as a result of USG assistance</i>						0	3	0	2	0	0	0			

¹⁷ \$20m was expected to be generated through the Agricultural Storage Investment Facilities (ASIF).

¹⁸ Several investment pipelines are actively being pursued and this figure is expected to increase significantly once the facilities are utilized by companies

¹⁹ This indicator is proposed to be dropped since it measures technology development, which is not part of the Trade Hub work. The FTFMS Webinar held on 7 October, 2014 clarified that this indicator should track technologies being developed through research and other processes, not ordinary promotion of already existing technologies.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
		<i>Phase 2 Number of new technologies or management practices under field testing as a result of USG assistance</i>						0	2	0	2	2	0	0			
		<i>Phase 3 Number of new technologies or management practices made available for transfer as a result of USG assistance</i>						10	7	17	7	18	0	0			
1.3-14	ACTE	Value of International and intraregional traded goods, including agricultural products facilitated by the Trade Hub.	\$0	\$50m	\$401,800	\$10m	\$636,975	\$3m	\$0	\$5m	\$236,427	\$2.5m	\$0	\$39,072,800	\$70,500,000 ²⁰	\$40,348,002	57% ²¹
		<i>Market</i>															
		<i>International</i>					\$302,467	\$1.5m		\$1m	0	\$0.5m ²²	0	\$34,792,800			
		<i>Intra-regional</i>					\$334,508	\$1.5m		\$4m	\$236,427	\$2m	0	\$4,280,000			
		<i>Type of goods</i>															
		<i>Agricultural</i>					\$260,067	0		0	0	0		\$55,000			
		<i>Apparel</i>					\$89,408	\$3m		\$5m	\$236,427	\$2.5m	0	\$39,017,800			
		<i>Other</i>					\$287,500	0		0	0	0		0			

²⁰ Targets for FY11 and FY12 were overly ambitious (\$60m between them). Subsequent targets were reduced to more manageable level. Better results are expected for FY15.

²¹ This numbers do not reflect reality as the instrument to follow-up Source Africa 2015 is still being developed.

²² The target for International trade is modest because buyers are likely to lower their orders in 2015 considering that it will be an extension year for AGOA. Swaziland, which has been contributing significantly to textile and apparel exports from the region under AGOA, is currently not eligible under AGOA.

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
1.3-15	ACTE	Number of buyer/seller linkages established in export capacity as a result of USG assistance	0	50	493	50	232	375	598	300	356	300	550	550	1075	2229	207%
		Sector															
		Agriculture			29		208	25	27	0	0	0	0	0			
		Apparel			464		24	350	571	300	356	300	550	550			
1.4-17	USG standard	Person hours of training completed in technical energy fields supported by USG assistance	0	60 ²³	0	60 ²⁴	166	3600	1656	1280	1576	800	320	1344	5800	4742	82%
		Sex															
		Male						2160	1408	1024	1240	560	280	984			
		Female						1440	248	256	336	240	40	360			
1.5-23	USG standard	Person hours of training completed in trade and investment enabling environment supported by USG assistance	0	N/A	N/A	N/A	N/A	N/A	N/A	3248	2968	2436	3776	8440	5684	11408	201%
		Sex															
		Male								2274	1928		2008	4824			
		Female								974	1040		1768	3616			

²³ This indicator tracked number of people trained and was modified to track person hours of training in FY13.

²⁴ This indicator tracked number of people trained and was modified to track person hours of training in FY13

ID	Initiative	Indicator	Baseline	Y1		Y2		Y3		Y4		Y5			Project Total		
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Q4 Actual	Y5 Cumulative	Target	Actual	% Reach
1.5-18	ACTE	Number of policy reforms, regulations, and administrative procedures passed/approved to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance ²⁵	0	2	1	2	12	3	6	3	2	6	0	12	16	33	206%
		Country ²⁶			BW=1		SZ= 12		BW=1		MW=1			LS=7			
									SZ=5		LS=1			SZ=5			
		Sector												0			
		Agriculture			0		0		0		0			0			
		Energy			0		0		0		0			0			
		Macroeconomic			0		8		3		0			0			
		Other			1		4		3		2			12			
														0			
G-19	USG Standard	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income, or employment)	0	N/A	N/A	N/A	N/A	40%	14%	30%	29%	30%	40%	40%	30% ²⁷	40%	133%

²⁵ Trade Facilitation and Agriculture Value Chains data is not included in this indicator due to different funding pools. TF and Ag data is captured in indicator 1.2-6 above.

²⁶ BW= Botswana; LS= Lesotho; MW= Malawi; SZ= Swaziland.

²⁷ This indicator was added late in the project to capture gender related work. A project standard needed to be set to capture the minimum female participation in our activities and this was set at 40% in FY3 and revised to 30% in FY4 and therefore still applies to FY15.

ANNEX B - 2014 - 2015 PROJECT ACTIVITIES

Southern Africa Trade Hub Activity Overview	2014 - 2015 Activities Countries
TRADE FACILITATION	
<p>Implementation of National Single Windows (NSW) in individual countries: The NSW provides traders the opportunity to submit documentation through one system to satisfy all border obligations of all agencies, saving time, money, and reducing the burden of compliance at the borders.</p> <p>System implementation is a long term process and the Trade Hub will assist with phases one and/or two of system implementation in various countries.</p>	Namibia, Malawi
<p>Implementation of customs modernization programs: The program focuses on reducing time and costs to traders and minimizes the physical inspection of goods across borders using risk management. Activities includes risk management training, enforcement systems, e-learning and legislative review of customs laws.</p>	Botswana, Namibia, Malawi
<p>Development of the SADC Comprehensive Trade Facilitation Program: The Comprehensive Trade Facilitation Program, once approved by SADC, requires significant technical assistance to implement pilot projects that are identified in the program.</p>	Regional SADC states with member
<p>Development of trade repositories for individual countries: The trade repository allows traders to use the Internet to access trade information and download documents to enhance voluntary compliance with border obligations.</p>	Namibia
ENABLING ENVIRONMENT	
<p>Establishment of National Enquiry Points (NEPs): This activity assists SADC member states with the establishment of information portals where domestic and foreign producers, consumers or government entities can obtain information on a WTO member's technical regulations, standards and certification procedures.</p>	Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia

Southern Africa Trade Hub Activity Overview	2014 - 2015 Activities Countries
The development of standards related to products and services: This activity supports SADC member states by fulfilling commitments under the WTO Technical Barriers to Trade (TBT) Agreement. This relates to developing the standards setting process that include food, hygiene, safety and other standards related to products and services.	Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia
Partnering with the SADC Cooperation on Standardization (SADCSTAN) to harmonize standards facilitating trade: The Trade Hub works with SADCSTAN to harmonize standards in the region. These include food, hygiene, safety and other standards related to products and services.	Regional SADC states with member states
Investor Roadmaps: The Trade Hub is assisting Investment Promotion Agencies (IPAs) to improve the business enabling environment with Investor Road Maps.	Lesotho, Swaziland
AGRICULTURE VALUE CHAINS	
Warehouse Receipt Systems (WRS) Development: The Trade Hub is supporting WRSs that provide farmers with secure storage. This enables small farmers to access finance against stored crop and sell at a time when market prices have increased.	Malawi, Zambia, Mozambique
Agricultural Storage Investment Fund (ASIF) development: ASIF will enable private sector storage operators to build warehouses closer to smallholder farmers to reduce storage losses, introduce WRS and provide improved market opportunities.	Malawi, Zambia
Improved grain storage management: The Trade Hub organizes grain storage management training programs for grain storage operators and grain traders to reduce grain storage losses.	Malawi, Zambia, Mozambique
Commercial laboratory development: The Trade Hub invests in programs to develop grain and oil seed laboratory testing services to improve regional trade and reduce hazards related to local processing of groundnuts.	Malawi, Zambia, Mozambique

Southern Africa Trade Hub Activity Overview	2014 - 2015 Activities Countries
Training in aflatoxin management: Aflatoxin management training and the promotion of in-shell buying enable farmers and processors to reduce levels of contamination during production, post-harvest as well as processing stages.	Malawi, Zambia, Mozambique
Harmonization of grain grading systems: The Trade Hub is supporting a harmonized grain grading system to increase regional grain trade and regional food security.	Malawi, Zambia, Mozambique
Agriculture Knowledge Transfer Programs: The Trade Hub is engaged in a number of programs to transfer technical skills and technology from South Africa to other countries and to develop access to the South African market.	Malawi, Zambia, Mozambique
Capacity building of the Southern African Confederation of Agricultural Unions (SACAU): Support to the union allows it to provide critical input into agricultural policy development.	SADC countries
Support to regional seed trade information systems of the South African National Seed Organisation (SANSOR): SANSOR is developing a number of seed trade information systems the Trade Hub seeks to promote across SADC members states to attract more investments in seed development and trade.	Zambia, Malawi, Mozambique, South Africa
Support to the SADC harmonized seed regulations release system through the SADC Seed Centre: The SADC Harmonized Seed Regulations (HSR) enable the release of approved seed varieties across SADC member states, making more and better seeds available to the smallholder farmers in the SADC countries.	SADC countries, special focus on FTF countries and Swaziland
Strengthened regional seed trade organizations: The SADC HSR require national seed regulations to be harmonized. Strengthened national seed associations will be able to lobby more effectively to ensure that the national seed regulations will adapt to SADC HSR, making more and better seed available to farmers.	Malawi, Zambia, Mozambique
Clean Energy	

Southern Africa Trade Hub Activity Overview	2014 - 2015 Activities Countries
Renewable Energy Feed-in Tariff (REFIT) policy development in Zambia: Support is provided to the Ministry of Mines, Energy and Water Development (MMEWD) in Zambia to develop a Renewable Energy Feed-In Tariff (REFIT) Policy. ²⁸	Zambia
Capacity building of the Energy Regulation Board of Zambia (ERB): The Trade Hub supports the ERB with tools for regulating the clean energy sector based on the new REFIT policy. The Trade Hub is designing a pricing framework that supports the growth of renewable energy technologies under the new REFIT policy, particularly for small scale renewable energy projects.	Zambia
Capacity building for the Rural Electrification Authority in Zambia: The Trade Hub assists the Rural Electrification Authority of Zambia (REA) by training its board, management and technical staff in contract and project management of rural electrification programs.	Zambia
Development of the Regional Electricity Regulators Association of Southern Africa's (RERA) Capacity Building Program for Regional Regulators: After conducting a training needs assessment, the program will prepare and implement a curriculum with corresponding training modules in support of a "Train the Trainers" program.	Regional SADC states with member
TEXTILE AND APPAREL VALUE CHAIN DEVELOPMENT	
Regional textile and apparel export promotion: We provide support to Source Africa and Origin Africa in coordination with the East Africa Trade and Investment Hub with a strong focus on early matchmaking regionally and with buyers in the US.	Regional SADC states with member

²⁸ REFIT refers to a policy mechanism designed to accelerate investment in renewable energy technologies. It achieves this by offering long-term contracts to renewable energy producers, typically based on the cost of generation

ANNEX C – SUCCESS STORIES

ANNEX D – 2015 - 2016 MILESTONES

	FY 16 Work Plan: September 2015 to March 2016	Expected Milestones: October to December 2015*	Expected Milestones: January to March 2016*
Agriculture Value Chains	Warehouse Receipt Systems (WRS) Development for Mozambique	1. Complete the operation of the pilot WRS 2. Complete preliminary internal evaluation of the pilot WRS 3. Close out the ETG Strategic Partnership Grant (SPG)	1. Conduct an evaluation of the pilot WRS 2. Develop warehouse receipt rollout plan for post-March 2016
	Warehouse Receipt Systems (WRS) Development for Zambia	1. Complete ZAMACE warehouse receipt development for 2015 season	1. Complete warehouse receipt review to enable ZAMACE to further upscale
	Agricultural Storage Investment Facility (ASIF) Development & Implementation in Malawi: (A) ASIF Malawi European Investment Bank Credit Line (B) ASIF Malawi Agence Francaise de Developpement (AFD) Credit Line	1. European Investment Bank (EIB) and National Bank of Malawi (NBM) undertakes final due diligence 2. Term sheet finalization of AFD FMB credit line	1. Support provided to launch of ASIF credit line (launch led by NBM) 2. Support launch of AFD FMB credit line (launch led by FMB)
	Agricultural Storage Investment Facility (ASIF) Development & Implementation in Zambia	1. Bilateral matchmaking for agribusiness pipeline undertaken	1. Follow up support provided to agribusiness pipeline
	Mozambique African Trade and Insurance (ATI) Membership	1. ATI Mozambique membership meeting takes place involving ATI, Government of Mozambique, and other stakeholders	
	E-Certification for Regional Export Information for Agricultural Commodities: Management Information System (MIS) Development	1. Pilot e-certification MIS designed	
	Strategic Partnership Grant (SPG) Program Implementation	1. Close out 8 of the 12 live SPGs	1. Close out remaining 4 of the 12 live SPGs

Clean Energy	REFIT Framework and Capacity Building of the Energy Regulation Board (ERB) of Zambia (A) Completing the Avoided Cost Baseline for REFIT in Zambia (B) Finalizing Standard Power Purchase Agreements in Support of REFIT Implementation in Zambia	1. Gather and analyze comments from REFIT workshop participants 2. Finalize draft REFIT Guidelines and Rules using the #1 above 3. Finalize the Standard Power Purchase Agreement 4. Finalize the Generation License 5. Develop the Connection Agreement Guidelines and the actual Connection Agreement 6. Conduct capacity building workshop REFIT procurement process	1. Conduct a capacity building workshop on the Standard Power Purchase Agreement 2. Calculate renewable energy tariff for biomass and hydro projects 3. Follow on REFIT program development in Zambia
	Development of RERA's Capacity Building Program for Regional Regulators (FY15)	1. Finalize and present the training curriculum and present it at RERA's annual conference in November 2015	
Enabling Environment	Improved Business Regulation and Processes Development of Investor Road Maps	1. Assessment to establish status of investment laws in Namibia completed 2. Development of National Action Programs on Investment (NAPI) for the first five SADC Member States completed	1. Capacity building of Lesotho and Swaziland Cabinet Committees on Investment Climate finalized
	Advancing Standards and Quality Procedures in SADCCapacity Building on Standards & WTO TBT Enquiry Points	1. Workshop on ISO Technical Committee (TC) National Mirror Committee in partnership with the American National Standards Institute (ANSI) for Botswana, Namibia, Mozambique, and Swaziland completed 2. Strengthening of Namibia's legal and regulatory framework for standards completed	1. Workshop on Good Regulatory Practice for SADCSTAN and SADCTRLC in collaboration with ANSI completed 2. ANSI-South African Bureau of Standards (SABS) workshop on Exchange on the WTO Code of Good Practice completed
	Activities on AGOA (not in FY16 work plan, dependent on USAID approval)	1. BITC conference on AGOA completed 2. Botswana AGOA Strategy workshop completed	1. AGOA Awareness workshop for Southern African Customs Union (SACU) completed
	Gender Integration	1. Complete gender analyses and training for cross border traders and border management officials in Malawi and Zambia (in conjunction with Trade Facilitation team)	
Trade Facilitation	Implementation of SADC's Comprehensive Trade Facilitation Program (CTFP)	1. Sub-Committee on Customs Cooperation (SCCC, a SADC sub-committee) approves CTFP Report	
	Embedded Advisory Assistance at SADC	N/A [Not required for program implementation]	

Supporting Lesotho in the Delivery of a Capacity Building Workshop for the National Trade Facilitation Committee (completed and delivered in FY15)	<ul style="list-style-type: none"> 1. Provided training program for Lesotho's National Trade Facilitation Committee on how to be compliant with the WTO Agreement on Trade Facilitation (completed in FY15) 2. Sponsored workshop for private sector and Government of Lesotho to meet and discuss Lesotho's future trade policy (completed in FY15) 	
National Single Window (NSW) Development for Botswana, Malawi, and Namibia	<ul style="list-style-type: none"> 1. All technical reports completed (including analysis of NSW legislative environment and recommended changes to legislation) 2. Business Process Reengineering (BPR) reports for Malawi and Namibia completed 	<ul style="list-style-type: none"> 1. Readiness assessments for Other Governmental Agencies (OGAs) for Malawi, Namibia, Botswana 2. Simplified data forms in place for Malawi, Namibia, Botswana 3. BPR report for Botswana expected February 2016
Design of SADC's Regional Trade Information Portal	1. Trade portal blueprint complete and delivered to SADC	
Scoping Mission to Zambia for Trade Africa Project (not in FY16 work plan)	1. Completion of the scoping document proposing agreed upon technical assistance interventions	

***Achievement of these milestones is contingent upon the Trade Hub receiving sufficient funding from USAID and the availability of staff.**